

FINANCIAL TIMES

Consultants in Europe

Loved most by German and UK companies

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Spain

Government presses privatisation

Page 2

Frankfurt

Tenants' market may be transformed by Emu

Property, Page 8

FT WEEKEND

Sicily's men in pastel

TOMORROW

World Business Newspaper <http://www.FT.com>

FRIDAY AUGUST 1 1997

IMF suspends Kenya loans as terms rejected

The International Monetary Fund suspended loans to Kenya last night after President Daniel arap Moi withdrew a letter agreeing new terms. IMF managing director Michel Camdessus is understood to have told Mr Moi that Kenya was not doing enough to combat corruption. Last week's removal of Kenya's top customs official proved the last straw for the IMF. Page 12

Volvo sells Renault stake: Swedish car maker Volvo sold its remaining stake in French vehicles group Renault, with which it once planned to merge. Volvo took advantage of surging French stocks to offload its remaining 1.4 per cent stake for \$54.9bn. Page 13

Pen purchases: France's BIC, best known for its ball-point pens, has bought US pen maker Sheaffer, which has annual sales of more than \$50m. Page 12

Plan to tame rivers: German and Polish officials proposed a joint programme with Czech and EU participation to regulate the River Oder, which has flooded parts of all three countries in the past month. Soldiers fight to shore up dyke. Page 2; Editorial comment, Page 11

True North Communications: The holding company for Foote, Cone & Belding, America's biggest advertising agency, plans to acquire Bozell, Jacobs, Kenyon and Eckhardt, which owns the country's 11th largest. The \$440m deal will create the world's sixth biggest advertising company. Page 15

Raid hits Yamaichi shares: Japanese prosecutors raided the houses of top Yamaichi officials in connection with allegations of corporate scandal at the big securities house. Yamaichi shares closed at ¥280 - 14 per cent down on Tuesday's finish. Page 5

Sony profits surge: Earnings surged at Sony of Japan, boosting the electronics and entertainment group's position as one of the country's most profitable companies. First-quarter pre-tax profits surged 110 per cent to ¥92bn (\$780m). Page 13

Malaysia warning: Malaysian prime minister Mahathir Mohamad warned that a new contractor may be appointed for the \$5.4bn Bakun hydroelectric dam project if local and foreign contractors cannot resolve their dispute. The project is meant to supply electricity to mainland Malaysia.

Five escape air crash: Two crew and three passengers walked away virtually unscathed from a Federal Express MD-11 cargo plane which crash-landed, overturned and burst into flames at Newark airport, New Jersey.

Extremists found guilty: Five Japanese Red Army extremists were convicted in Beirut of using forged documents and living in Lebanon illegally. They were jailed for three years.

Big bequest: A former Chicago secretary who never earned more than \$15,000 a year left \$18m to a hospital in her will. Gladys Holm, who used to invest any surplus earnings in stocks, often handed out teddy bears at the self-supporting Children's Memorial Hospital.

Dubious distinction: Nigeria has been named the world's most corrupt country for the second year running. A German survey awarded second and third places to Bolivia and Colombia, with Russia up from eighth position to fourth. Page 4

Hopes fade after Australian landslide:



Rescuers risked new landslides to search for 19 people missing after rock and earth engulfed two ski lodges at Thredbo (above) in Australia's Snowy Mountains. One body was recovered but hopes of finding survivors faded because of the freezing and dangerous conditions in the valley 400 km south of Sydney.

FT.com: The FT web site provides online news, comment and analysis at <http://www.FT.com>

STOCK MARKET INDICES

New York: Dow Jones Ind. Av. 8,243.98 (+10.91)
NASDAQ Composite 1,591.49 (+3.44)
Europe and Far East:
CAC40 3,678.67 (+6.37)
DAX 4,438.92 (+17.21)
FTSE 100 4,907.5 (-1.8)
Nikkei 20,331.43 (+118.61)

US LUNCHTIME RATES

Federal Funds 6%
3-month Treas. Bill: 5.228%
Long Bond 100%
Yield 6.322%

OTHER RATES

UK 3-mo Interbank 7.1% (7%)
UK 10 yr Gilt 10.2% (10.2%)
France 10 yr OAT 10.35% (10.64%)
Germany 10 yr Bund 10.42% (10.72%)
Japan 10 yr JGB 10.6181% (10.502%)

NORTH SEA OIL (August)

Brent Oil 18.09 (18.01)

GOLD

New York: COMEX (Aug) \$354.1 (328)

London: close \$355.35 (328.66)

DOLLAR

New York: Deutsche Mark 1.6395
DM 1.64145
FF 6.2092
Sfr 1.57605
Y 118.475

STERLING

London: £ 1.5375 (1.5323)
DM 1.6398 (1.6377)
FF 6.1925 (6.1945)
Sfr 1.5121 (1.5173)
Y 118.40 (118.255)

Tokyo close: ¥ 117.20

DM 3.0077 (2.9996)

Israel calls for crackdown

By Avi Machlis in Jerusalem

Palestinians yesterday said Israel's decision to impose security and economic measures on the West Bank and Gaza following a suicide bombing in Jerusalem amounted to a declaration of war.

Israeli officials confirmed that the government was considering sending troops into Palestinian-controlled areas if Palestinian leader Yasser Arafat did not crack down on militant Islamic groups.

Israel believes that terror group Hamas was behind the suicide bombings that killed 13 people on Wednesday, the deadliest attack since prime minister Benjamin Netanyahu came to power in May 1996.

US President Bill Clinton's senior advisers, including Secretary of State Madeleine Albright and Middle East mediator Dennis Ross, met at the White House for emergency talks yesterday afternoon.

Asked if the president was satisfied with Mr Arafat's pledge that he was committed to ensuring a secure environment for Israel, the White

Threat to send troops into Palestinian areas a declaration of war says Arafat

House replied: "The president feels the chairman made an appropriate statement, yes, but... continues to believe that efforts need to be made to strengthen security co-operation."

Colonel Jibril Rajoub, head of the Palestinian preventative security service, said Palestinian police would defend themselves if Israel sent troops into Palestinian areas.

A senior Israeli official said entering Palestinian-controlled areas was "becoming more and more of an option, especially if we feel the Palestinians are not fighting the terror groups".

Mr Netanyahu demanded a tougher response from Mr Arafat in cracking down on Islamic radicals.

"I insist on a real peace and it begins with Arafat's battle against terrorism," he said. "That is what the international community... has now the obligation to demand."

Meanwhile Israeli forces raided Palestinian villages still under Israeli security control in the occupied West Bank, arresting 28 suspects. Palestinian security officials said they had detained 10 activists from Islamic Jihad and Hamas, radical Islamic groups which have sent suicide bombers to Israel in the past in an effort to derail peacekeeping.

Despite the tensions, security co-operation between Palestinian and Israeli forces had partially resumed.

Israel's communications ministry said it had received orders from Mr Netanyahu to jam Palestinian radio broadcasts which it considered "inciteful".

Israel has also suspended the transfer of certain revenues, such as value added tax and income and excise returns, to the Palestinian Authority. The PA had received about \$350m in these revenues from Israel



Pledge: Yasser Arafat

between 1994 and May 1997. But the harsh economic sanction imposed is the crippling closure of the West Bank and Gaza. Mr Arafat sent a letter to the US, Russia, and European and Asian countries saying the Israeli clampdown could put an end to the peace

process. "They are equivalent to a declaration of war against the Palestinians," said his spokesman.

In a further blow, Israel's Association of Contractors and Builders said the domestic building sector "will no longer employ Palestinian labourers following the attack, even if they are licensed to work in Israel".

The group's members employ 20,000 Palestinians, mostly day labourers who rely on jobs in Israel for their livelihood. This amounts about 29 per cent of all Palestinians holding Israeli work permits. Another 30,000 work illegally in Israel.

The group said "the sector can no longer carry the economic or security burden of Palestinian workers".

As the row between Israeli and Palestinian leaders intensified, shoppers returned to the Mahane Yehuda fruit market in Jerusalem, scene of the bombing and a bedrock of support for Mr Netanyahu.

Arafat urged to dissolve cabinet, Page 4; After the bombs, Page 11

Government row with opposition over taxes 'destroying jobs' German politicians criticised by industry

Ralph Atkins in Bonn and Andrew Fisher in Frankfurt

German industry's anger at politicians' failure to agree on sweeping tax reform erupted yesterday into unbridled criticism of Bonn politicians - including Chancellor Helmut Kohl, finance minister Mr Theo Waigel and their political opponents.

As the government announced that it would have another go at attempting to strike a deal with political opponents in September, senior industrialists warned that the long-running stand-off would destroy jobs and competitiveness.

Their criticism followed the failure of a parliamentary coalition committee to end the deadlock between the Bundestag, the lower house of parliament, and the Bundesrat, the second chamber, which is controlled by the opposition Social Democratic party.

"A significant chance to make Germany fit and competitive for the next millennium has been frittered away," said the German industry association (BDI).

Mr Waigel is seeking net tax cuts totalling DM30bn (\$16.3bn) a year from 1998, including reductions in top and basic rate income tax as well as corporation tax. But the SPD has condemned the plan as favouring the rich and not soundly financed.

With Mr Waigel insisting compromise was possible only on significant net cuts, the chance of a deal in the coalition committee next month is remote.

Even an agreement by the committee yesterday on abolishing a local trading capital tax - described by Mr Waigel as a "positive signal" for investment - was dismissed as a "fig leaf" by Mr Martin Kohlhaussen, president of the German banking association.

The BDI said the abolition of the tax would not prevent "the increasing migration of business abroad and a further hike in unemployment".

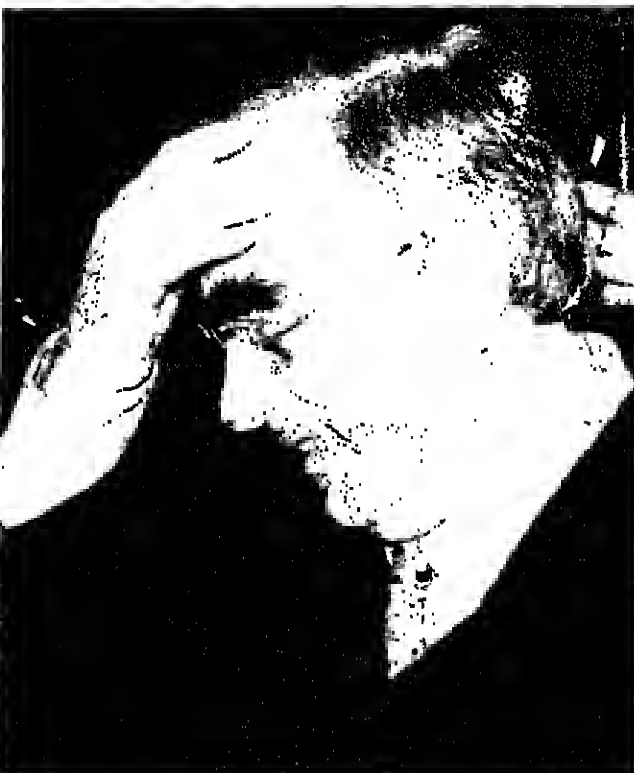
Industry reserved its severest criticism for the SPD, which was also lambasted by Bonn for obstructing reform for tactical election reasons.

Mr Hans Peter Stihl, president of the German chambers of industry and commerce, accused Mr Oskar Lafontaine, SPD leader, of "relegating Germany into the bottom league".

The failure to strike a deal with the government coalition was even more threatening given this week's deal on substantial tax cuts in the US, he said.

Frustration with the government was voiced by Mr Wendelin Wiedeking, head of Porsche, in an interview with Die Woche newspaper. Much of business had become "very doubtful about this government". The tax reform was a laughing stock, he said.

Negotiations over reform have become embroiled in complex arguments. The SPD proposed a two percentage point cut in social security contributions covering unemployment insurance and pensions, financed by petrol tax and value-added tax. But the government objected to the SPD's ideas for structural changes to the pension system



Criticised: German finance minister Theo Waigel yesterday

Bonds, Page 28

Spanish fishermen could receive £100m damages

By John Mason and Gary Mead in London and Tom Burns in Madrid

Spanish fishermen will be allowed to claim compensation that could reach £100m (\$163m) from the UK government for being illegally excluded from fishing in British waters, a British court ruled yesterday.

The decision, which prompted anger from British fishermen, followed European Court rulings that UK legislation introduced in 1988 to prevent "quota-hopping" breached European law.

Three judges ruled that the breach of EU law caused by the Merchant Shipping Act 1988 was sufficiently serious that Spanish trawler owners should, in principle, be able to claim compensation.

The Act was passed to address concerns that "quota-hopping" - where Spanish vessels were re-registered in the UK or British registered ships were bought by Spanish owners - were damaging the

British fishing fleet. The scale of the damages to be paid to the Spanish fleet is uncertain and will take further court hearings to assess. But

trawler-owners maintain that 97 vessels each lost between \$350,000 and \$500,000. It is believed the maximum interest payments on the damages could reach almost £100m.

Under the Act only boats 75 per cent owned and managed by UK citizens or companies could use the British fishing quota. The European Court of Justice ruled that the Act breached EU law and it was suspended in July 1990.

Giving judgment, Lord Justice Hobhouse said the UK government had acted in good faith and had not intended to breach EU law. However, it could be criticised for not thinking through the effects of the legislation and for "an element of muddle" between government departments.

But the judges rejected the calls for punitive damages based on claims that the UK

government had deliberately set out to harm the interests of the Spanish fleet.

The government is considering whether to mount an appeal against the ruling, the solicitor general, Lord Falconer QC, told the court.

Mr Jim Fortus, chief executive of the South Western Fish Producers organisation, said: "They've had the fish, now to rub salt into the wound they will be entitled to compensation. These vessels - and they're very big boats - have taken a heck of a lot of our fish. I'm just pleased that the high court at least denied them the right to exemplary damages. The government in the past did what was right and best for our country."

However, a spokesman for the Spanish trawler owners association in Vigo, north west Spain, welcomed the ruling: "It is the principle that matters. The actual compensation is less important. This is a very positive development and we are very pleased."

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Senior Lenders
Chase Manhattan International Limited
Union Bank of Switzerland

Lenders
Banque Worms
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NATEXIS Banque (formerly BFCE)

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The Chase Manhattan Bank

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Bank ZENIT

CHASE

NEWS: EUROPE

Madrid's textbook approach is seen as a model for other governments

Spain's sell-off policy pays dividends

By Tom Burns in Madrid

Earlier this week, Spain's integrated steel group CSI and its aluminium producer, Inespal, were sold on exactly the same day. That, in itself, was a coincidence, but there was nothing fortuitous about the policy guiding the disposal of the two state-owned companies.

Spain's centre-right government has shown textbook correctness in its approach to deregulation and privatisation. Barely a year since it took office, it is already gaining the fruits of a sensible approach on both fronts.

A lot of governments could learn from the way Spain has rid itself of state assets that most people thought were impossible to sell," says Mr David Robinson, chief executive in Madrid of Nera, the international economic consultants group.

Governments, in particular those of France and Italy, could study to their advantage the speed with which Spain has privatised companies eminently attractive to investors.

"Spain is leading the way on disposals in southern Europe, and companies like Telefonica and Repsol (the telecoms group and the energy conglomerate which were fully privatised earlier this year) have gained a competitive advantage as a result," says Mr Carlos Dexeus, managing director of BZW in Spain.

The contrast with the stop-go privatisation process of France, Telecom and Italy's Stet, and with the continued state ownership of oil groups such as Eni and

Elf-Aquitaine, is telling. The market disposals of Telefonica and of Repsol, which were already listed, presented no problems, and no foreseeable difficulties exist over the sale of about half the Spanish state's 66 per cent stake in the power group Endesa after the summer. Selling off companies in difficult sectors such as steel and aluminium, however, requires foresight as well as free-market zeal.

What impressed analysts about the part sale of CSI Corporation Siderurgica to Arbed of Luxembourg was that the government preferred to enhance the value of the steel producer, receiving cash up-front from the purchase by Alcoa, the US aluminium producer, of Inespal was that it had

been made possible by prior regulatory changes in the electricity sector. CSI was launched two years ago as the corporate umbrella for the streamlined rump of Ensidesa and Altos Hornos de Vizcaya, the two main domestic steel producers. In order to stem losses, the government pumped in Ptas677bn (\$4.4bn) and axed nearly half CSI's 22,000 labour force.

Inespal dates from the mid-1980s, when the government brought together assets that previously belonged to Alcan of Canada and to France's Pechiney under the umbrella of a single state-controlled group. Public funds totalling Ptas47bn were spent to improve the group's rolling and other downstream activities, and a redundancy pro-

gramme brought the 8,000-strong labour force down to 4,700 at a cost of some Ptas35bn.

At the start of this year, the government invited bids for a 35 per cent stake in CSI from half a dozen global steel producers. It identified Alcoa as the best candidate to take over Inespal. Usinor of France bid Ptas109bn for the CSI stake, but the government preferred a carefully crafted share swap and merger deal offered by Luxembourg's Arbed group that allowed the Spanish steel producer to take equity stakes in Arbed's global business. Later this year, the government will fully privatise CSI through a market disposal and, thanks to the Arbed arrangement, which gives Arbed-CSI the largest combined output in

Europe after British Steel, CSI is likely to have a strong investor appeal.

The breakthrough for the sale of Inespal was the introduction by the government of an electricity protocol that will liberalise the power sector and significantly reduce energy costs for large industrial users, such as Inespal, that have had to rely on subsidised electricity tariffs to be competitive.

The deregulatory move allows Inespal, which has annual electricity costs of some \$200m, the freedom to establish, through tenders, long-term, low-cost power supplies with generators.

Had the government not moved fast to liberalise the electricity sector, it is doubtful whether it could have sold off Inespal.

Russian telecoms sale sparks rancorous row in Moscow

By John Thornhill in Moscow

A full-scale media war erupted in Moscow yesterday between some of Russia's most powerful business leaders as allegations flew about shady practices surrounding last week's \$1.9bn auction for Svyazinvest, the telecommunications holding company.

The dispute, one of the most rancorous since President Boris Yeltsin's re-election last year, appeared rapidly to be acquiring broader political dimensions, and could lead to the departure of government ministers.

Much of the criticism has been targeted at Mr Boris Berezovsky, deputy head of the security council and former head of the Logovaz business empire, who appears to have backed a vicious media campaign against other government officials.

A senior Kremlin official said the government might

be forced to review Mr Berezovsky's government post and his shareholding in ORT, the main television channel in which the government has a 51 per cent stake.

"It is somewhat extraordinary that a government-controlled television station could be manipulated to take the positions it has taken," the official said. ORT has been particularly outspoken in its attacks on the outcome of the Svyazinvest auction.

Mr Vladimir Potanin, head of the Oneximbank business group which won the Svyazinvest stake, yesterday alleged Mr Berezovsky and Mr Vladimir Gusinsky, who heads the Most media group, had attempted to fix the auction. All three businessmen had previously worked closely together, as part of a group of seven bankers who financed President Yeltsin's re-election campaign.

Mr Potanin said that on the eve of the auction all three businessmen had

flowed to France - where Mr Anatoly Chubais, the first deputy prime minister, was holidaying - to see if they could reach a compromise deal over Svyazinvest.

Mr Potanin said he fully supported Mr Chubais's decision that a free and competitive auction should go ahead, against the wishes of the other two businessmen. Oneximbank subsequently won the auction with a \$1.9bn bid, beating the only rival offer of \$1.7bn.

Mr Gusinsky hit back at Mr Potanin, saying Most had no involvement in the Svyazinvest bid. "Mr Potanin's contentions that I supposedly offered Oneximbank some sort of behind-the-scenes understanding on the preparation of the Svyazinvest tender are a lie," he said in a statement.

"We do not know and do not use the methods of collusion which Mr Potanin appears to have mastered to perfection," he said.

But a spokesman for Mr

Gusinsky refused to deny that he had attended the meeting in France. Telefonica, the Spanish telecommunications group which was part of the losing consortium, has also confirmed that Most was involved in the bid for Svyazinvest.

According to Obshchaya Gazeta, a relatively independent newspaper, Mr Chubais again met Mr Gusinsky and Mr Berezovsky in Moscow on Monday to discuss the outcome of the auction. But the meeting led to a furious row and mutual threats, the newspaper reported.

Mr Potanin said his winning consortium would hold its shares in Svyazinvest for at least two years and attempt to attract new investment into its daughter companies. The main financing for the bid came from Mr George Soros, the international financier, MFK Renaissance, an Oneximbank offshoot, Deutsche Morgan Grenfell, and Morgan Stanley Asset Management.



Victor's smile. Vladimir Potanin's Oneximbank won the auction for Svyazinvest

Dublin dips a toe in the privatisation pool

Ireland looks as if it is about to put aside its long-standing opposition to state sell-offs.

No one expects that the Fianna Fail minority coalition is about to adopt a Thatcherite crusade to roll back the state. But bankers are preparing for a series of small-scale privatisations, driven by the pressure of competition and the need in the utilities sector to meet the liberalisation directives of the European Commission.

In the next couple of months, Mr Charlie McCreery, the finance minister, wants to conclude the sale of Ireland's Trustee Savings Bank, raising as much £130m (\$190m) for the government.

Both the Industrial Credit Corporation, which was set up to help small indigenous

companies, and the Agricultural Credit Corporation are being considered for disposal. Both state-owned banks have outgrown their original purposes, but lack the scale to compete with the bigger banks - Bank of Ireland and Allied Irish Banks.

Separately, Aer Lingus, the state airline, has been told it has to present proposals to take a strategic partner by the end of the year. A discussion paper suggesting ways to open the electricity market to provide competition for the Electricity Supply Board is being circulated between the responsible ministries.

The state sector is relatively large in Ireland, accounting for 10 per cent of gross national product and 7 per cent of employment. The

government has a significant presence in the energy, transport and telecommunications sectors, where it has 11 companies with assets of almost £55bn, and operating profits of £440m in 1995. Net

Brussels and competition are prompting the move, writes John Murray Brown

debt - total debt minus the cash in the bank - stood at £2.3bn.

With tax receipts at record levels on the back of Ireland's buoyant economic growth, there is little need for privatisation receipts. In addition, there is little ideological motive to spread share ownership, as hap-

pened in the UK in the 1980s. But in an attempt to prepare itself for EU competition in the domestic market, Telecom Eireann, the telecommunications company, has sold a 20 per cent £183m

Steel company, was sold in 1995 to Ispat, the Indian group - the only route open to the company once Brussels had blocked additional state aid.

The only wholesale public offerings to date have been the flotation of Irish Life and Greenore, the state sugar company - and both were driven by the companies themselves.

The original plan for the TSB was to merge it with ACC and ICC, creating a "third banking force" to rival Bank of Ireland and AIB, which together account for 80 per cent of banking assets. That rationale no longer applies, with building societies increasingly offering general banking services in competition to the big banks.

One of the biggest loss-

makers, the Cork-based Irish

the subsidiary of National Australia Bank, and Ulster Bank, part of the NatWest group, have put in formal bids.

How far the government will press state sales in other areas is hard to tell. Ms Mary O'Rourke, the minister in charge, has already intervened in support of the unions in a dispute at Bus Eireann, the state bus company.

Perhaps the most telling sign of the government's continuing ambivalence towards selling state assets is the change of name of the ministry involved. Mrs O'Rourke now heads a department for public enterprises, successor to the admittedly long-winded ministry of transport, energy and telecommunications.

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Forcing Turkey's genie back in bottle

The country's secular authorities want Erbakan's Islamic party closed down, writes John Barham, but it is certain to spring up in another guise

Turkey's biggest political party is preparing to fight for its life. A prosecutor is demanding that the constitutional court close down the Islamist Welfare party and ban its leaders for "anti-secularist actions".

When the prosecutor announced his intention in May to have Welfare closed, many commentators believed it was only part of a political campaign orchestrated by the army to force Mr Necmettin Erbakan's resignation. However, Mr Vural Savas, the prosecutor, appears determined to press ahead with his case even though Mr Erbakan quit in June.

Next week, Welfare's lawyers must submit their formal defence to the prosecution's charges that it threatens Turkey's increasingly fragile 74-year-old secular system.

Welfare, which took the most votes in elections two years ago and has a highly efficient national network, takes Mr Savas seriously, even if party leaders say his accusations are "childish".

Mr Abdullah Gül, a Welfare MP and confidant of Mr Erbakan, says: "We have to take this seriously because it will be a political decision." He claims Mr Savas gets his orders from the army, which is determined to eradicate Islamism from political life.

The prosecution has not outlined

its case against Welfare publicly. Party officials claim the evidence amounts to little more than factually incorrect newspaper reports quoting bloodcurdling speeches by Welfare politicians or the photocopy of a \$500,000 cheque supposedly made out to a Welfare sympathiser in 1989 by the Libyan government.

According to press reports, Mr Savas has also cited an official dinner Mr Erbakan held this year at the prime minister's residence for leaders of Islamic brotherhoods, technically illegal but long tolerated. Some of them arrived in turbans and flowing robes, violating Turkey's dress code imposed in the first years of the secular republic.

Party closures are not frequent, but some precedents exist. In 1994, a court banned the pro-Kurdish Democracy party. Parliament expelled its 13 MPs. Eight of them were tried and convicted of membership of the Kurdistan Workers party. Four remain in jail, serving sentences of up to 15 years.

Welfare is the latest incarnation of a series of Islamist parties led by Mr Erbakan which were closed by each of the three military governments to rule Turkey between 1960-83. The generals also banned secularist parties and their leaders, only to see the latter re-emerge at the head of parties new in name only.

Secularists believe extreme measures against Welfare are justified to

protect democracy. The generals, like most secularist Turks, say democracy and secularism are inseparable.

General Cevik Bir, deputy chief of staff, stated in March, as the army stepped up the pressure against Mr Erbakan, that one of the "basic tenets of our democracy [is] secularism as well as individual rights and liberties. [The armed forces expect] everybody to fully observe and conform to these basic principles".

Mr Mümtaz Soysal, a leftwing MP and militant secularist, argued that tampering with Turkey's secularist tradition threatens its identity as a modern democratic state. Allowing the Islamists another foothold in power would allow them to drag Turkey back to the past. He said: "This is not an ordinary republic. It is a Jacobin republic; a project for a way of life."

Some commentators believe the army and its secularist allies realise that closing Welfare would achieve little, and could be dangerous by radicalising Islamist opinion. On Tuesday, thousands of demonstrators jammed the centre of Ankara to protest against the government's secularist education reforms. Analysts suspect the threat of closure is only a tactic to undermine the party's morale and divert its attention from fighting the government to fighting for survival.

Mr Mesut Yilmaz, the new prime minister, says he will call fresh elections next year. Welfare's support has eroded and backing for the conservative Motherland party of Mr Yilmaz has grown, but the Islamists showed in the last elections that no other party can match their financial or organisational muscle.

Welfare already has contingency plans to reopen as a new party the day after its closure. Attacking it could only strengthen its attempt to portray itself as a victim of bigoted secularists.

Closing down Welfare would also further tarnish Turkey's human rights record. Human Rights Watch of the US defends Welfare's right "to make policy proposals as a basic element of the right of free expression". The legal battle would draw attention to some illiberal aspects of Turkey's constitution and laws.

The example of Algeria, where military intervention in 1992 to deny the Islamists election victory sparked off a civil war, illustrates the danger of banning Welfare. Most Welfare MPs are moderates and reject violence. If the courts were to ban Mr Erbakan, younger, tougher men are ready to take his place.

Mr Alan Makovsky, a former US diplomat and Turkey-watcher, comments: "Whatever the government's actions, Islamism is likely to remain a strong political current in Turkey."

EUROPEAN NEWS DIGEST

French jobless rate rises

French unemployment rose sharply for a second consecutive month in June, increasing pressure on the Socialist-led government to secure quick results from its promised job creation programme.

The number of people out of work in the month rose by 17,400, or 0.6 per cent, to 3.13m, according to yesterday's labour ministry figures. This in turn pushed the unemployment rate, based on International Labour Office criteria, from 12.5 to 12.6 per cent.

The June increase followed an even sharper 1.1 per cent rise in May, and brought to nearly 50,000 the cumulative rise in the number of jobless over the past two months. Trade unions called for corrective action, with the pro-Communist CGT saying yesterday's figures showed the need for "rapid measures to reverse the current trend durably and profoundly".

David Owen, Paris

CYPRUS

Leaders to hold more talks

Leaders of the Greek and Turkish Cypriot communities met again yesterday for their second encounter this week, ostensibly to discuss "humanitarian issues", at the residence of the United Nations representative on Cyprus.

This is the third time in a month that President Glafos Clerides, leader of the Greek Cypriot-led government, and Mr Rauf Denktaş, the Turkish Cypriot leader, have seen each other after a break of three years. Western diplomats hope that combined US and European Union pressure is helping to close the gap between the two communities, divided since 1974 when the Turkish army invaded Cyprus after a short-lived pro-Greek coup. After the meeting it was announced that Mr Clerides and Mr Denktaş would continue discussions, particularly on the fate of hundreds of people missing since the 1974 invasion. They are due to continue talks in Switzerland later this month.

However, Mr Denktaş has warned that he might stay away from the next round of talks in protest at the European Union's decision to reject Turkey's membership application and to begin accession talks next year with the Greek Cypriot government. John Barham, Ankara

GERMAN FLOODS

Soldiers fight to shore up dyke

Thousands of German soldiers worked furiously yesterday to prevent a damaged dyke on the River Oder from bursting open and unleashing a flood.

Helicopters dumped five-tonne sacks of sand at the foot of the dyke near Hohenwutzen to reinforce two areas where foundations had cracked under the weight of two weeks of floods, threatening to burst completely.

Should the dyke break, local officials said a wall of water several metres high would rush into the fertile Oderbruch basin, filling a 250 sq km area within hours until coming up against a wall of secondary dykes.

Nearly two dozen villages would initially be engulfed and, if the second line of dykes failed, the tide could flow southward through the rest of the Oderbruch valley some 17km to the larger towns of Wriezen and Bad Freienwalde. Around 10,000 residents of the Oder valley region on Germany's border with Poland were evacuated late on Wednesday, after the dyke at Hohenwutzen threatened to give way.

Reuters, Hohenwutzen

AMSTERDAM TREATY

Danes show mixed feelings

The latest Danish opinion poll on the European Union's Amsterdam Treaty showed that half the sample were unsure about how they would vote if a referendum were held now. However, supporters narrowly outnumbered opponents.

The survey, conducted by the Green's polling unit and published in the financial daily Børsen yesterday, showed that 49 per cent were unsure whether they would vote to accept the treaty agreed at the EU summit in Amsterdam in June. While 29 per cent said they would accept it, 23 per cent said they would vote against the treaty to foster closer ties within the 15-country Union.

The main thrust of the treaty, which widens the scope of the 1992 Maastricht Treaty, includes moves towards a common immigration policy, a more unified foreign and security stance and an attempt to co-ordinate the fight against unemployment across the EU. Denmark secured an opt-out from common security and justice policies.

Mr Poul Nyrup Rasmussen, Denmark's prime minister, has said he will ask Danes to vote on the Amsterdam Treaty changes early next year.

Reuters, Copenhagen

SLOVENIA

Foreign minister resigns

Mr Zoran Thaler, Slovenia's foreign minister, resigned yesterday amid mounting opposition criticism of his management of the country's accession negotiations with the European Union. He had held the post since the formation of the government last February.

"With my resignation, I want to draw attention to the need for national unity in order to place Slovenia in the safe and developed part of Europe," Mr Thaler said. The opposition Social Democrats had attacked Mr Thaler for his role in negotiating the terms on which Slovenia was invited to start membership talks with the EU. These terms required changes to Slovenia's constitution that granted property ownership rights to foreigners.

The foreign minister resigned shortly after the opposition called for a parliamentary debate on the effectiveness of the centre-left Liberal Democratic government, led by Mr Janez Drnovsek, the prime minister. The debate will probably be held in September.

Matej Vipotnik, London and Jack Grimsdon, Ljubljana

KURDISH CONFLICT

Thousands flee war

Mr Bülent Ecevit, Turkey's deputy prime minister, said yesterday that 370,000 people had fled a 12-year-old conflict between security forces and Kurdish guerrillas in the south-east.

"Because of terrorism, 3,185 villages have been emptied and 370,000 of our citizens have been forced to migrate," he said during a visit to the Istanbul stock exchange.

Human rights groups say Turkish security forces cleared the villages forcibly to deny Kurdistan Workers party (PKK) rebels food and shelter. The government says rebel violence and poor economic conditions spawned the migration. "Of our schools, 2,016 have been closed, leaving 117,000 young people without any education and a shortfall of 7,750 teachers," said Mr Bevit. Guerrillas have killed dozens of Turkish teachers whom they accuse of indoctrinating Kurdish children.

Conflict between security forces and the rebels, seeking independence or autonomy in the mainly Kurdish south-east, broke out in 1984. Since then more than 25,000 people have died and the mountainous region has fallen behind the rest of the country in terms of economic and social development.

Reuters, Istanbul

Early Crédit Lyonnais recapitalisation ruled out

By Andrew Jack in Paris

The French government yesterday submitted its long-overdue report on Crédit Lyonnais to the European Commission while ruling out any recapitalisation of the state-owned banking group "in the near future".

Officials stressed that the report, which was originally demanded by Brussels seven months ago as a condition for approving a new rescue plan for the bank, contained no reference to its possible privatisation.

That comes in spite of assurances by Mr Jean Arthuis, the former centre-right economics minister, that Crédit Lyonnais would be sold off "as soon as possible", perhaps during 1998.

French government submits report on state-owned bank group while at pains to stress document contains no reference to possible privatisation

Mr Dominique Strauss-Kahn, the new economics, finance and industry minister, hinted in a recent interview that restructuring agreements already made with the European Commission -

including that for Crédit Lyonnais - could be renegotiated now that France's Socialist party had come to power.

The plan contains details of Crédit Lyonnais' business plan over the next several years.

This includes its intention to sell off some of its international activities to focus on corporate clients and to meet previous conditions laid down by Brussels

in exchange for a FF500bn (\$81bn) of state aid already approved.

The plan also stresses the need for additional turnaround measures designed to reduce its operating costs and to improve profits.

It also calls for the "neutralisation" of a punitive loan which the bank was forced to make in 1995 under a previous rescue plan

in order to finance the transfer of assets and investments.

Although there are detailed projections of the bank's future financial performance, there is no allocation provided for additional money injected by the state, which officials believe is no longer necessary in view of increasing profitability at the bank.

European Commission privatisation

By contrast, officials said that the new plan maintains the requirement imposed by previous French governments for Crédit Lyonnais to pay a special dividend on future profits to the state in addition to taxes, in order to compensate for the aid provided up till now.

It was required to accept below market interest rates on the loan, significantly below the financing

costs of the money, which imposed a large additional burden on the bank at a time when it was attempting to restructure its operations and return to profitability.

Brussels will now consider the new report to determine whether or not they agree with the cancellation of the loan and any other modifications to the original 1995 restructuring agreement.

This may lead to a decision in time to reflect changes for Crédit Lyonnais' first half results for 1996, due to be published in the autumn.

Enel chief refuses to buy surplus power

By Paul Betts in Milan

True to his sobriquet of "Kaiser Franz", Mr Franco Tatò, chief executive of Italy's giant state electric utility, has unleashed a war against the country's independent electricity producers by stopping Enel's purchases of surplus power generated by these smaller companies.

The controversial move, which is embarrassing the Italian government, is part of the intense manoeuvring currently taking place in the Italian electricity industry ahead of the liberalisation of the national market and the privatisation of Enel.

Mr Pierluigi Bersani, the industry minister, and Italy's electricity regulator have attempted this week to negotiate a compromise between Enel and the independent producers. But neither has succeeded in defusing the row.

The independent producers, including Edison, part of the Montedison-Compagnie group, and Sordel, controlled by the Falck family, have accused Enel of breaching a 1991 agreement whereby they claim the state utility is under an obligation to acquire surplus power generated by these companies. Enel argues it is under no such obligation. It says that it must increasingly adapt its activities and struc-

tures to open market conditions. In order to prepare for the liberalisation of the Italian market in 1998 and the company's privatisation, due at some stage next year.

Enel supplies 84 per cent of domestic demand and, under Italy's complex electricity regulations, buys the rest from independent producers at an inflated price. Under the European Union's liberalisation programme, the state monopoly will have to open 30 per cent of its market to competition in 1999. Although Enel has agreed to honour its contractual obligations with the independent producers, it now refuses to buy their surplus production at a price fixed at L104 per KWH, or nearly double the cost of its own production of L55 per KWH and, three times the cost of the open spot market.

Enel last year bought at inflated prices about 4,750m KWH of surplus electricity produced by independents for around L500m.

Mr Tatò halted these purchases after the electricity regulator decided to reduce by around L600m (\$335m) the annual compensation it receives from the government for highly priced electricity, supplied under a long term contract with Electricità de France, the French state utility.

Italy negotiated 10 years ago with France an expen-

sive long-term electricity supply contract, after a referendum put a stop to the country's nuclear programme. At the time, Italy was worried about possible energy supply shortfalls as a result of the collapse of its nuclear programme. By refusing to buy surplus power from the independents, Mr Tatò is now seeking to limit the impact of the reduced government compensation for the long-term French contract.

However, since he took over at Enel 12 months ago, Mr Tatò, a former president of Olivetti, has also launched an aggressive restructuring and development strategy to prepare Enel for the open market.

Before his latest challenge to the independent producers' protected and subsidised market, Mr Tatò announced a series of joint ventures with other leading power groups, including Eni, the Italian oil company, and Enron, the US energy group, to set up new Italian electricity producers to compete in the domestic market when it is liberalised.

With these various deals and the latest clampdown on surplus electricity purchases, the independents have accused Mr Tatò of attempting to undermine them by reinforcing Enel's monopoly position ahead of liberalisation.



Fatos Nano, prime minister of Albania (left), talks to Italian foreign minister Lamberto Dini during the International Conference on Albania in Rome yesterday. Talks focus on the post-election situation in Albania as the Italian-led multinational force prepares to end its peace-keeping mission and return home.

Call to scrap Finland's state Alko monopoly

By Greg McIvor in Stockholm

The head of Finland's state alcohol monopoly yesterday fanned a long-running domestic debate over alcohol policy by proposing that the monopoly be scrapped and the market opened to competition.

Mr Ilkka Suominen, a former leader of Finland's Conservative party and now director-general of the Alko organisation, said free trade and open borders were putting a strain on the state monopoly. Writing in a Finnish newspaper, Mr Suominen said the monopoly was based on a "myth" about alcohol consumption patterns, and it risked being overrun by cheap liquor imports.

He suggested it should be replaced by privately-run licensed stores. This could treble the current number of 255 Alko outlets, he said.

His controversial remarks are likely to increase pressure on the government to reform alcohol policy. Ministers are already being pressed by private suppliers to loosen Alko's heavy domination of Finnish liquor production.

The monopoly is, in addition, under threat from the European Court of Justice. In a preliminary ruling ear-

lier this year, it said Sweden's state alcohol retail monopoly hindered the free flow of goods, and was therefore illegal. A final ruling is expected this autumn. Should it go against the Swedish government, Finland could find itself forced to scrap its monopoly.

This could pave the way for grocery stores to sell liquor, but suppliers say it would have little impact on them because Alko's purchasing is already open to free competition.

Like its Nordic neighbours, Sweden and Norway, Finland has long regarded a state retail monopoly on liquor and wine sales as essential to combat a tradition of heavy drinking.

Alcohol abuse is seen in Finland as the nation's biggest social problem. Mr Kari Paaso, a senior Finnish social affairs and health ministry official, said there were no plans to abandon the monopoly. He stressed that Finland had negotiated an exemption with the European Commission, when it joined the European Union in 1995, which allowed Alko's retail monopoly to continue. Finland has, however, agreed to end by 2004 special restrictions on private alcohol imports from other EU states.

NEWS: THE AMERICAS

FDA should have greater regulatory authority, says American Medical Association

Medical group welcomes tobacco deal

By Heather Bourbeau and Bruce Clark in Washington

The American Medical Association broadly endorsed the \$368.5bn settlement with the US tobacco industry yesterday but called for wide-ranging modifications to meet the objections of public health advocates.

A report by the AMA, one of the country's most influential professional organisations, said the Food and Drug Administration should have greater authority to regulate

tobacco than is laid down by the deal, which limits the industry's exposure to liability claims in return for payments of \$368.5bn over 25 years.

The AMA called for an increase in the financial penalty which the industry would have to pay if targets for reducing the number of under-age smokers were not met. It said restrictions on advertising should apply to all publications, not just those aimed at children. The price of cigarettes should be raised by \$1 instead of the pro-

posed 62 cent increase, it added.

The association, striking a more positive note than several other commentators, described the settlement as a "powerful tool to discourage smoking" - with many useful aspects, such as funding for public health programmes. It also welcomed the establishment of standards for second-hand smoke. Dr Richard Corlin, an AMA spokesman, said the settlement "deserves to be passed by Congress and put into law".

The AMA accepted one of the settlement's most controversial features - its 12-year moratorium on the prohibition of tobacco products and on the elimination of nicotine. Opponents of the moratorium include the American Lung Association, the American Cancer Society, Mr David Kessler, former US commissioner for food and drugs, and Mr Everett Koop, former US surgeon general. This week Mr Kessler and Mr Koop urged Congress to reject the settlement and draft legislation that would not

give so many concessions to companies.

The tobacco deal would settle law suits by 35 states as well as 17 class action suits. Some of the state attorneys-general which negotiated it have described the stance of public health campaigners as unrealistic.

The Clinton administration has said it will only back a settlement that had the support of key public health groups. The AMA presented its recommendations to the White House yesterday.

AMERICAS NEWS DIGEST

SEC relaxes investment rules

The US Securities and Exchange Commission yesterday relaxed the rules restricting the right of investment funds to buy securities through offerings underwritten by their own affiliates.

The proportion of such offerings which investment companies may buy was raised from 4 per cent to 25 per cent, higher than the 10 per cent mooted by the SEC last year but still lower than some funds would like.

Yesterday's change will also make it easier for US investment funds to buy securities in foreign offerings, as long as there is proper regulation and financial disclosure in the home country, or in private, unregistered offerings.

Restrictions on the purchase of stock underwritten by one's own associates were designed to deter investment companies from dumping securities that would otherwise be unmarketable in mutual funds. Mr Arthur Levitt, SEC chairman, yesterday said that principle remained as important as ever, and it would be preserved under the new rules. "Protecting investors from this type of over-reaching by fund affiliates is, and should always remain, a core principle of the Investment Company Act," he told an SEC hearing. But raising the ceiling to 25 per cent would strike a proper balance between the protection of investors and "providing funds with some much-needed flexibility".

Bruce Clark, Washington

BUSINESS LOANS

Peruvian bank launched

Mibanco, a new Peruvian bank which will provide loans for small and micro-entrepreneurs, was formally launched at a ceremony in Lima yesterday. Although it is an initiative of the Fujimori administration, Mibanco's capital will come exclusively from the private sector.

The principal shareholder is Accion Internacional of the US through its newly created Peruvian subsidiary, Accion Comunitaria del Peru. In turn Accion Internacional's chief associates are Kohlberg Kravis Roberts, J.P. Morgan, Lehman Brothers, Morgan Trust and the IFC, the World Bank's private lending agency.

Mibanco draws on the experiences of successful operations in Bangladesh and Bolivia. It expects to start operating by the end of the year with capital in excess of \$16m. Loans will range up to \$5,000.

Sally Bowen, Lima

PETROL PRICES

Venezuelan strike call

The Venezuelan government next week faces a wave of strikes after increasing petrol prices by an average 27 per cent yesterday. The CTV labour confederation called a nationwide strike for Wednesday, while several other unions are planning work stoppages for next week. Mr Carlos Navarro, secretary-general of the CTV, said the strike was a response not only to the petrol price adjustment but also to the private sector's refusal to increase wages as agreed in a three-way accord with labour and the government earlier this year.

The Chamber of Commerce insists that 90 per cent of private sector companies have already increased their wages in recent months. Yet Mr Luis Raul Matos Azocar, finance minister, said labour's demands were justified and that the wage accord ought to be respected. Petrol prices are a sensitive issue in oil-rich Venezuela, where motorists have long been accustomed to highly subsidised petrol.

Raymond Collitt, Caracas

Political upheavals stir Mexican business

Unpopular sales tax set to trigger first big clash in new-look Congress, writes Leslie Crawford

A rowdy crowd chanting "Ortiz, Ortiz, bring down VAT!" greeted Mr Guillermo Ortiz, Mexico's finance minister, when he arrived earlier this week at the Guelaguetza festival, two riotous days of drumming and dancing in the western state of Oaxaca.

The chorus caught Mr Ortiz off guard. He had not expected to be assailed over economic policy during a colourful festival, and few heard his attempt to defend Mexico's 15 per cent sales tax.



'We have to start defending what we believe in. Mexico must not regress... We have to defend the market economy'

Eduardo Bours, Co-ordinating Businessmen's Council chief

At the finance ministry, however, many officials took the Guelaguetza incident as a harbinger of things to come.

Last month's landmark mid-term elections, in which the Institutional Revolutionary party (PRI) lost control of Congress for the first time in 68 years, have thrust economic debate from the confines of cabinet meetings into forums such as the festival in Oaxaca.

Opposition parties have seized on the PRI's disarray to challenge the government's austerity programme, and have launched their first salvo against Mexico's unpopular value added tax, which Mr Ortiz raised from 10 to 15 per cent during the 1995 financial crisis.

The conservative National Action party (PAN) and left-wing Revolutionary Democratic party (PRD) have joined forces to call for a

reduction in VAT. Since the two parties will together command a majority of seats in the new Chamber of Deputies, the battle over the sales tax promises to be the first big clash in Congress when it convenes in September.

The dramatic results of the July elections, and the ensuing attacks on Mr Ortiz' economic policies, have woken Mexico's dormant business associations with a jolt.

Businessmen are particularly alarmed by the electoral success of the PRD, which will be the second largest force in Congress after the PRI and which has voted against every economic reform implemented by PRI governments since the mid-1980s.

"In the past, all negotiations were conducted within the PRI," says Mr Eduardo Bours, an energetic 40-year-old industrialist from the northern state of Sonora

who leads the Co-ordinating Businessmen's Council. "With a more plural Congress, we will have to interact with legislators more extensively."

Mr Bours, like many of his peers, read the election results as a rejection of President Ernesto Zedillo's free-market policies, and he is preparing to do battle in their defence.

"We have to start defending what we believe in," Mr Bours says.

"Mexico must not regress to the days of statism, closed borders and fiscal deficits. We have to defend the market economy and convince Mexicans there are no short cuts to prosperity."

To do so, Mr Bours is planning to give the council, which groups more than 800 employers' organisations, a higher profile than it has had to date. Given the number of executives who have swelled the ranks of the opposition, Mr Bours also

promises to re-examine the cozy relationship between business leaders and PRI governments.

"We must be apolitical," he says.

Mr Bours' independence and negotiating mettle will be tested shortly, in the course of talks with finance ministry officials on fiscal reform.

They will begin meeting twice a week this month in an attempt to hammer out "a more equitable, transparent and efficient tax regime" to be implemented as early as next year.

Mr Bours would like to see a simplification of the tax code, tax breaks to encourage job creation and investment, and a bigger government effort to bring more Mexicans into the tax bracket. At present only 13m wage-earners out of an economically active population of 35m pay taxes in Mexico.

Government officials, however, say tax cuts are not on the agenda. "Our priority is to instil a tax-paying culture in Mexico and find more efficient ways to crack down on evasion," says Mr Tomas Ruiz, chief inspector of taxes.

Mr Bours prefers to reserve his opinion on the clamour to bring down VAT. "We know it is important for the government to maintain sound public finances," he says. "What is under discussion is the best way to maintain that equilibrium."



Guillermo Ortiz caught off guard by protest

NEWS: INTERNATIONAL

Shake-up brewing for SA police force

Mark Ashurst on the background and hard-hitting management style of the new chief executive

Mr Meyer Kahn, who today steps down as chairman of South African Breweries to take up a new job as chief executive of the country's beleaguered police force, has a knack for distilling complex issues into one-liners.

Among the aphorisms his colleagues have learned by rote, one is particularly appropriate to the war against the national crime epidemic: "Only a fool takes a knife to a gunfight."

The hard-hitting management style for which Mr Kahn is renowned in corporate South Africa has paid dividends at SAB. Under his chairmanship, the company has broken into new markets in Africa, eastern Europe and China, and evolved into the world's fourth largest brewer.

On the strength of that reputation, his appointment as the first civilian head of the police force has been widely applauded in business circles, where the 68-year-old industrialist has a record of standing up to politicians.

One of these, Mr Cyril Ramaphosa, who quit parliament to pursue a business career last year, will take up the reins as acting non-executive chairman of SAB during his absence.

Mr Kahn was prominent in last year's brawl between big business and the government over economic policy,

when he urged more rapid liberalisation of the economy and drastic measures to restore law and order. His new job, said Mr Tokyo Sexwale, premier of Gauteng, the country's most crime-ridden province, is "an opportunity for business in South Africa to show they are not just armchair critics."

The son of Lithuanian emigrants, Mr Kahn was born and raised in Brits, a provincial town in the rural north-west.

Absenteeism and suicides have spiralled to record levels

His humble background has since become a hallmark of his management, earning him the nickname "the boyie (boy) from Brits" in company boardrooms. As the first Jew to head the police, this unaffected style may bolster his credibility in a force with a long record of anti-Semitism.

Mr Kahn will take over responsibility for administration, personnel and resources from Mr George Fivaz, the national police commissioner, who admits the organisation is in disarray. A recent internal survey found 89 per cent of officers said police management had "no clue" about conditions

on the ground. Levels of absenteeism and suicides have spiralled to record levels, about 10,000 personnel daily stay away from work, and fewer than 30 per cent of staff are engaged in active policing.

In such fertile conditions, organised crime has mushroomed to the third highest level in the world after Colombia and Russia. The increase has been exacerbated by turmoil in the non-lawfully self-governing homeland police forces set up under apartheid.

"We've inherited a system geared towards locking up people like me, a political tool trained in the administration of racism," said Mr Sexwale, who served time with President Nelson Mandela on Robben Island. But he insisted the level of public distress is an encouraging symptom: "We are not like Colombia where people have given up on the police. Here there is a national outcry."

While many of the current problems are rooted in the past, they have been compounded by rising crime and political pressure for a rapid transformation. "Our officials are still very uncertain about their functions, and about what is happening in the country," said Mr Fivaz, whose future role will be confined to day-to-day policing and crime prevention.

Their concern is shared by many businessmen, who



Meyer Kahn: 'Only a fool takes a knife to a gunfight'

have blamed the crisis on a dearth of management expertise. The South African police is highly staffed by comparison with most developed countries, and commands greater resources than its African neighbours. But organisational skills are thin on the ground. Colleagues say Mr Kahn will carry his personal mantra from the SAB boardroom to the police headquarters in Pretoria: "Business is a wheelbarrow. If you don't push it, it stops."

This diagnosis has already been tested by McKinsey, the management consultants, who have worked on a voluntary basis with the

country's 100 most needy police stations during the past year.

Their project has made a small dent in the crime rate. At Port Shepstone in Kwa-Zulu-Natal, close monitoring of detectives and improved administration has contributed to a 6 per cent improvement in the rate of convictions and a 28 per cent drop in serious crimes.

Elsewhere, results have been mixed. Superintendent Samson Matlala, who runs the police station at Duduza township outside Pretoria, says McKinsey's involvement helped his office acquire a new telephone line and fax machine.

But Duduza's first computer remained in its packaging a month after delivery to the station - and there has been no evidence of a reduction in crime.

"It may be true that there are enough resources in the police already," said Ms Judy Wede, a partner at McKinsey in Johannesburg, "but it will take at least two or three years to re-allocate them. In the meantime, there's a war out there."

The statistics bear witness: last year there were more than 25,000 murders, a rate of three per hour, and 50,000 rapes. More than 617,000 criminal cases were unsolved.

Until recently, police work was further frustrated by a three year moratorium on new recruits. But Mr Kahn's appointment appears to have coincided with a change of heart by the government. In May this year, ministers lifted the ban and announced a R1.2bn (\$262m) programme to boost efficiency in the criminal justice system. In doing so, they placed the onus firmly on Mr Kahn to repair the other half of the criminal justice system - the police force.

That task has already spawned a new batch of one-liners. "It's like driving a car along a motorway at 150 kilometres an hour," says Ms Wede, "and trying to rebuild the engine at the same time."

INTERNATIONAL NEWS DIGEST

Arafat urged to dissolve cabinet

The Palestinian legislative council yesterday adopted a resolution calling on Mr Yasser Arafat, the Palestinian leader, to dissolve his cabinet by next month in response to findings of corruption in his self-rule government. "We are giving him until September to make the necessary changes," said Mr Ahmad Qorei (Abu A'la), speaker of the PLC. The 88-member council voted 56-4 in favour of a resolution demanding "the dissolution of the Palestinian cabinet". The PLC has no legal power to enforce its decision.

The vote followed the release of a report earlier this week by a panel of Palestinian lawmakers, revealing widespread corruption and mismanagement of public funds in Mr Arafat's self-rule government. Several ministers were targeted by the report for alleged wrongdoing, including Mr Nabil Sha'ath, planning minister, and Mr Ali Qawasmeh, transport minister. Both denied any wrongdoing at yesterday's council session in Ramallah on the West Bank.

PETROLEUM INVESTMENT

Apicorp plans expansion

Arab Petroleum Investments Corporation, the finance group owned by 10 Arab oil producers, is to expand its activities beyond the Middle East. Apicorp, which yesterday concluded its first borrowing in the euromarkets - a \$250m (£185m) term loan - said it would support the growing trend for Arab oil producers to invest in refining and marketing assets in their main overseas markets.

Mr Nureddin Farrag, chief executive of the Saudi Arabian-based company, said it was prepared to provide loans or to take equity positions in downstream projects outside the Arab world, as long as such projects support the diversification efforts of the group's shareholders. Mr Farrag said Apicorp was likely to return to the international capital markets, including the bond market, for future finance.

ALGERIA

Journalists sentenced

An Algerian court has passed suspended jail sentences on an influential Algerian newspaper director and five other journalists for "prematurely" reporting the killing of five gendarmes in 1993. An Algiers court on Wednesday sentenced Mr Omar Belhouche, director of El Watan, and Mr Nacera Benali who wrote the report, to six months' imprisonment. El Watan said yesterday.

Four other journalists working for the newspaper each received four-month terms. All sentences were suspended, the paper added. Mr Belhouche's French-language newspaper, viewed as the best informed on security issues in the violence-ridden country, reported in January 1993 that an armed group had cut the throats of five gendarmes in Ksar El Hirane, in Laghouat province some 350 km south of Algiers.

He and the staff members were charged with "premature publication" and other offences, including threatening state security. They were arrested and held for several days in Serkadj high security prison. El Watan was suspended for a week. Mr Belhouche has been charged several times by Algerian authorities who have draconian powers over the media.

US broadens probe over Saudi dissident

The US will gather evidence overseas against a Saudi dissident who pulled out of a deal to provide information about a 1996 bombing in Saudi Arabia, Ms Janet Reno, US attorney general, said yesterday. Renter reports from Washington.

The dissident, Mr Han al-Sayegh, was indicted for conspiring during 1994 and 1995 to kill Americans residing in Saudi Arabia, charges unrelated to the 1996 truck bombing that killed 19 US servicemen.

Mr Sayegh on Wednesday

backed out of an earlier plea agreement in which he was to plead guilty to the conspiracy charge and co-operate with the US investigation of the bombing. He instead pleaded innocent.

"The US will now focus its attention on obtaining from overseas the necessary witnesses and the evidence to proceed to trial in this case," Ms Reno said at her weekly Justice Department news briefing.

"Additionally, we continue to pursue aggressively all

avenues of investigation relating to the bombing," Ms Reno said.

She declined comment on whether deporting Mr Sayegh to Saudi Arabia was an option. Mr Sayegh's lawyer has said he fears execution if he is returned to his homeland.

Mr Sayegh's repudiation of the plea deal represented a significant embarrassment for the US government, which arranged his deportation from Canada in June and hoped he might provide valuable information about

those responsible for the bombing.

Ms Reno denied that FBI agents and Justice Department officials who arranged for Mr Sayegh's deportation, questioned him in Canada and reached the plea deal, had bungled the case.

"No, that was carefully reviewed," she said. "Everybody worked together on that. And I don't find that they did anything that was inappropriate. In fact, their work has been excellent," she said.

Syrian president Hafez al-

Assad arrived in Tehran yesterday on his second visit to the Islamic republic since the 1979 revolution. Iran's official news agency IRNA said.

It said Mr Assad was greeted at Tehran airport by Iran's president Akbar Hashemi Rafsanjani.

"Key regional issues and developments, Tehran-Damascus relations and Zionist aggressions will be high on the agenda of... Assad's talks with Iranian officials," IRNA said in an earlier report from Damascus.

Mr Hassan Habibi, the Iranian vice-president, held talks in Damascus with his Syrian counterpart Mr Abdel-Halim Khaddam earlier in July on the subject of Turkish-Israeli military co-operation and also Ankara's military campaign in northern Iraq against the Kurds.

Syria and Iran, long-time allies who share borders with both Turkey and Iraq, have expressed concern after several agreements between the military establishments in Israel and Turkey.

NEWS: WORLD TRADE

Nigeria seen as most corrupt nation

By Guy de Jonquieres

Nigeria, Bolivia and Colombia are rated the most corrupt countries, and Denmark, Finland and Sweden the least corrupt, in an index published by Transparency International, a non-government pressure group.

The index is compiled from international surveys of business and public opinion, political risk and national competitiveness. The rankings reflect perceptions, not actual levels, of corruption in 52 countries.

The US, which is aggressively promoting diplomatic initiatives to curb corruption in other, mostly developing countries, ranks 16th in a list headed by the nations

regarded as least corrupt. Britain was in 14th place.

Seven European Union members and Japan were all further down the league table. Belgium, in 28th place, suffered the sharpest increase in its corruption perception score of any country featured in the index.

Italy was the lowest ranked industrialised country, in 30th place - immediately below the Czech Republic, Hungary and Poland, and just above Taiwan, Malaysia and South Africa.

Hong Kong, where there have been concerns that corruption could increase after the handover to China a month ago, was ranked 18th,

above Portugal, France and Japan. Hong Kong's score improved slightly on last year.

Singapore, in ninth place, was the most highly ranked developing country. Israel, Costa Rica and Chile also scored higher than several industrialised economies, but Russia, Pakistan, Mexico and Indonesia were all near the bottom of the list. China was in 41st position.

Although developing countries scored poorest overall, Transparency International said western industrialised democracies were not immune to widespread bribery and influence peddling. It blamed multinational companies based in developed economies for contributing

TI Corruption Perception Index

Maximum score 10 (10 = least corrupt, 1 = most)

Top 10	1997	1996	Bottom 10	1997	1996
1. Denmark	9.5	9.5	43. Vietnam	2.7	2.7
2. Finland	9.45	9.05	44. Yemen	2.7	2.5
3. Sweden	9.35	9.05	45. India	2.7	2.63
4. New Zealand	9.23	9.43	46. Indonesia	2.72	2.65
5. Canada	9.2	9.05	47. Mexico	2.66	3.30
6. Netherlands	9.05	8.71	48. Pakistan	2.58	2.6
7. Norway	8.94	8.87	49. Russia	2.57	2.58
8. Australia	8.86	8.80	50. Slovakia	2.53	2.73
9. Singapore	8.86	8.80	51. Bolivia	2.05	3.40
10. Luxembourg	8.81		52. Nepal	2.05	2.08

Source: Transparency International

to corruption in poor countries.

The Berlin-based pressure group said this year's ranking order could not be compared directly with last year's, because the countries covered differed and the index was based on a wider

range of surveys. Year-to-year differences in individual countries' scores, which were graded from one to 10, provided a more accurate benchmark of how perceptions of corruption had changed.

Denmark, which this year

displaced New Zealand as the country perceived to have the least corruption, scored 9.5. Nigeria was bottom of the list with a score of 1.76, compared with 0.69 last year.

Transparency International claimed that publication of its index had helped promote public opposition to corruption in some developing countries, notably Pakistan. It said Malaysia's government, which was initially hostile to the index, had since adopted it as a focus for a national anti-corruption campaign.

Transparency International, Berlin. Tel: 49-30-787 5903. Fax: 787 5707. e-mail: ti@transparency.de. Website: <http://www.transparency.de>

Beijing 'running out of time' Slow progress for China on WTO entry

By Frances Williams in Geneva

The latest round of negotiations on China's accession to the World Trade Organisation has made some progress but trading partners yesterday expressed disappointment that the Beijing government had failed to produce a comprehensive offer to open its market for goods and services.

Trade diplomats said China was running out of time to have a negotiated package ready ahead of the summit between US president Bill Clinton and Chinese president Jiang Zemin, tentatively scheduled for October 28. Both sides had been hoping the summit would seal US approval of China's WTO bid, possibly by setting a target entry date for May next year when the WTO celebrates the 50th anniversary of the multilateral trading system.

Ms Charlene Barshefsky, US trade representative, is due to go to Beijing within the next few weeks to help pave the way for a successful summit WTO declaration. Prime Minister Ryutaro Hashimoto of Japan, who has been a prominent supporter of Chinese WTO entry, will also be in Beijing in September.

Mr Long Yongtu, China's chief WTO negotiator, said yesterday that China hoped to produce a wide-ranging offer on opening up its services sector by September, before WTO talks resume at the beginning of October.

Meanwhile, in a series of bilateral negotiations over the past week or so, China has made some further piecemeal concessions on tariffs and non-tariff measures for goods.

Import quotas for cars and minibus will be eliminated over a maximum of eight years rather than 12 (down from the 15 years it first offered), though trading



China's president Jiang Zemin: summit with President Clinton in October

partners said this was still too long. Shorter phase-outs will apply to other goods, and China has said quotas for 66 items, including sugar, cigars, and some wool and cotton goods, will be abolished on accession.

China has also offered to cut some tariffs, for instance on chemicals and textiles, but over often-long time periods. Its present tariff offer tabled last year involves a cut in average tariffs from 23 per cent now to 15 per cent by 2000.

In addition, Mr Long yesterday told an informal session of the WTO working party drafting China's entry terms that China would scrap all agricultural export subsidies on accession, a decision warmly welcomed by agricultural exporting nations. As a poor country, China could have insisted on keeping these subsidies for a further period so this is seen as an important concession.

However, big problems remain over China's plant safety inspection rules which the US and other countries claim unfairly bar their products from the Chinese market.

More generally, the US, EU, Japan and others all complained yesterday it was impossible to assess the true value of China's concessions without a comprehensive written offer on the table.

US carmakers hammer on Japan's door

But if a trade war is imminent, Washington looks curiously unprepared, writes Bethan Hutton

Two years after the US-Japan car market agreement, American carmakers' complaints about Japanese market access are rising again.

Figures from Japanese car manufacturers released this week showed their exports to the US growing at the fastest rate for more than a decade, at a time when US exports to Japan have slowed.

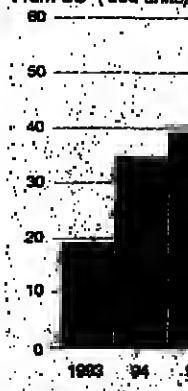
The past few days have seen an exchange of pointed comments by diplomats, trade officials and carmakers on both sides of the Pacific, and the American Automobile Manufacturers' Association has asked for Japan's car market to be put on the "watch list" for bilateral negotiations and possible sanctions under the Super 301 trade law.

The main complaint is that despite Japan's commitment to opening up the market, US targets for building up dealership networks have not been met. The big three US carmakers wanted 200 dealerships in Japan by the end of 1996, but the total is still less than 130. The Japanese side argues that the figure of 200 is arbitrary and unrealistic.

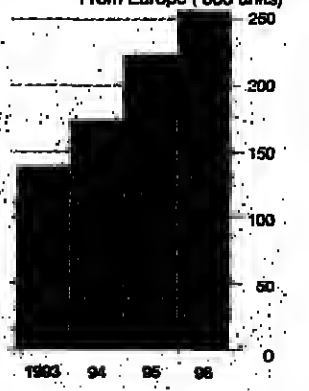
Mr Takao Tominaga, vice-chairman of the Japan Auto-

Car imports to Japan

From US ('000 units)



From Europe ('000 units)



Source: Japanese Automobile Importers' Association

Source: Japanese Automobile Importers' Association

mobile Manufacturers' Association, said yesterday that the 1995 agreement did not specify a numerical target for US car dealerships in Japan, but added: "We do not want to invite another trade dispute like we had some years ago."

US manufacturers are selling more cars in Japan than before the 1995 agreement, but Japanese consumers' appetite for imported cars was booming before that.

In 1993, Japan imported 195,090 cars; last year it was 333,392. Imports have slowed slightly this year - first half imports were down 8.7 per

cent from 1996 - at least partly because of a tax increase which also hit domestic manufacturers' sales, and because of the weaker yen.

US imports have suffered more than European brands, which are better established in the Japanese market.

There is little sympathy for the AAMA's arguments in Tokyo. Both Japanese and European carmakers say Ford, Chrysler and GM are not selling more cars because they are approaching the market in the wrong way, with the wrong products, and expecting unrealistic

rapid progress.

"The big three, and their trade rep, still believe they can bludgeon their way into the market; they clearly cannot," said Mr Matthew Riddick, car industry analyst at HSBC James Capel in Tokyo. "I don't think they can in all honesty point to Japan and say they are getting a different deal from the Europeans," said Mr David Blume, vice-president of Rover Japan.

European importers found that building up dealerships was a slow process of persuading individual dealers that selling imported cars could be profitable.

"This is not something the government can just mandate - it cannot order an independent businessman to risk his livelihood," Mr Blume added.

Dealers may be reluctant to take on US products because they do not meet the rapidly shifting, fashion-driven demands of Japanese consumers. "The big three are still focusing on selling sports coupes and sedans, when the market has moved on," said Mr Riddick. Recreational vehicles and

minivans are the growing market segments in Japan.

Mr Anthony Millington, director-general of the Tokyo office of the European Automobile Manufacturers' Association, adds that the US manufacturers have not yet developed a clear brand identity.

"It is difficult to sell cars in Japan purely and simply on price. You have to have something else: the aura of

the British way of life, or the superiority of German engineering, the chicness of a French product, or the speed and style of the Italian product."

"The European manufacturers have spent a good deal of time and money on developing brand identity in the Japanese market, which the Americans have failed to do," Mr Millington said.

Additionally, US cars have a lingering image problem in Japan. Quality and reliability are key concerns with Japanese consumers, and, rightly or wrongly, they still see Amer-

ican cars as being more likely to break down.

Several high-profile recall programmes because of car defects have not helped. Ford yesterday issued a recall for more than 10,000 Taurus cars imported between 1988 and 1995, because of overheating problems.

Japan appears confident the present US arguments are not strong enough to allow the dispute to grow seriously.

Some industry insiders suspect the latest protests may be aimed less at Tokyo than at Washington, where they may build sympathy for the carmakers on other issues, such as emissions.

They also point out the US administration is at present hampered in tackling Japanese trade issues, because it does not have a full complement of staff in the Japan section of its trade office. Nor has it appointed a new ambassador to Japan, eight months after the previous incumbent left.

If a trade war is in the offing, the US side looks curiously unprepared for battle.

The past few days have seen pointed exchanges by diplomats, trade officials and carmakers

هكذا من النحل

NEWS: UK

Government confirms speeded-up timetable for City's move to single regulatory body

Insider appointed central bank deputy

By Robert Chote and John Gapper

Mr Gordon Brown, the chancellor of the exchequer, yesterday strengthened the position of Mr Eddie George, governor of the Bank of England - the UK central bank - by appointing a Bank insider as deputy governor responsible for monetary policy.

The appointment of Mr Mervyn King, an executive director at the Bank and its chief economist, could help to improve the at times stormy relations between the chancellor and the Bank since the government was elected in May.

The announcement of Mr King's

elevation was accompanied by confirmation of the appointment of Mr David Clementi, a vice-chairman of German investment bank Dresdner Kleinwort Benson, as the Bank's other deputy governor.

The government also confirmed that its move to put supervision of financial services under a single regulator would be speeded up.

Mr Brown welcomed a 21-page paper prepared by a taskforce of supervisors that sets out the founding principles and structure of Newro, which will become the main regulator in place of the Securities and Investments Board.

Mr Howard Davies will today

become chairman of SIB, vacating the job to be occupied by Mr Clementi in September. Mr Davies will switch to being chairman of Newro when the organisation is established later this year.

There had been speculation that the post to be occupied by Mr King was to go to Mr Gavyn Davies, chief economist at Goldman Sachs.

His appointment would have been seen as a blow to the authority of Mr George, fuelling speculation that Mr Gavyn Davies would take over as governor when Mr George's first five-year term of office expires next year.

However, Treasury aides said

yesterday that the appointment of Mr King did not mean that Mr George would automatically be re-appointed next year. The chancellor is to review the Bank's performance as an independent monetary authority before making a decision.

Mr King will take up his post once the Bank's newly-granted independence to set interest rates has been enshrined in legislation.

He will remain on the monetary policy committee that now sets rates, where he will be joined by his as yet unnamed successor as chief economist. Mr King is admired both inside and outside the Bank as a highly proficient

economist, although some colleagues have found him difficult to work for. He is seen as relatively hawkish on interest rates.

Mr George, who was angered earlier this year when the chancellor told him that the Bank was to lose responsibility for banking supervision, welcomed the appointments.

The plan for the integration of financial supervision under Newro, prepared by regulators led by Sir Andrew Large in his last month as SIB chairman, envisages most of the staff of the body starting work in a single building next spring.

Lex, Page 12

An important step on road to revolution

By John Gapper, Banking Editor

The publication yesterday of a 21-page outline plan for a New Regulatory Organisation to supervise financial services is an important step on the road to a revolution, but still leaves big questions unanswered.

Mr Howard Davies, who heads the Securities and Investments Board and will lead Newro, said: "This is the tip of the iceberg."

Two key points of the paper are that the transition to the new body will be speeded up and Newro will adopt the principle of lead supervision. This means a single supervisor will co-ordinate its relations with each bank or broker firm.

The accelerated transition is partly a response to concerns expressed in the letter from Mr Gordon Brown, the chancellor of the exchequer, accepting the plan. He said it was vital there was no decline in the effectiveness of regulation during transition.

Although the new Financial Services Act, transferring the responsibility for City regulation to Newro, will only pass through parliament at the end of next year, most of the staff of the

self-regulatory organisations are to be employed centrally by Newro from next spring.

The adoption of the lead supervisor principle is a response to the difficulty of combining supervision of everything from unit trust management to insurance broking. Mr Davies said the success of Newro will depend on how well it can maintain this balancing act.

"There will be a person responsible for overall relations with an institution, and assessing its systems and controls," said Mr Davies. If this approach worked, it would be better than the current "queue of regulators looking at different parts of the business in an unco-ordinated way."

He added: "There will be no hiding place for the senior management of a bank when there are serious problems, but responsibilities will also sharpen in this organisation."

But there would be problems if the move meant that the specialist skills of regulators in life insurance, or option pricing were lost.

Sir Andrew Large, who was in charge of drawing up the plan, said that few other countries had yet gone this far in uniting different regulatory disciplines. "On the

In with the Newro, out with the old



Howard Davies, Head of Financial Markets Regulation, replacing Sir Andrew Large.

Source: Newro

Phase 1:
Aug 1997 - Spring '98
Newro design and implementation planning

Phase 2:
Spring 1998 - Autumn '98
Newro operational under SIB supervision

Phase 3:
Autumn 1998 onwards
Newro fully operational

- 1. Senior Newro executives appointed
- 2. Objectives and regulatory approach agreed
- 3. Consultation with industry and public on key issues, including ombudsman schemes, compensation and consumer and practitioner involvement
- 4. Launch of Newro; the SIB renamed
- 5. Appointment of some new board members

- 6. Supervision and surveillance division of the Bank of England integrated into the SIB
- 7. SRO staff transferred to Newro
- 8. Newro staff perform SRO authorisation, supervision and enforcement work
- 9. Single point of entry for consumer enquiries and complaints introduced

- 10. Firms regulated by SROs, DTI, ESC and FSC transferred to Newro
- 11. Final organisational structures for authorisation, supervision, enforcement, consumer relations and policy implemented
- 12. Newro board becomes responsible for decisions on all regulated activities
- 13. New ombudsmen and compensation arrangements become operational
- 14. Winding up of SROs commences



Sir Andrew Large, outgoing chairman of the SIB.

whole, they seem envious of what we have been able to do," he said.

The paper's task is to set out its principles of regulation and the basic structure of the new organisation. It has adopted three "high level" aims: to protect financial services consumers; to promote clean and orderly markets; and to maintain confidence in the system.

The structure will, as

expected, move away from that of the specialist industry groupings represented by the SROs to five functions: policy formation; authorisation and registration; investigations and discipline; relations with consumers and the public; and supervision of institutions.

The divisions largely represent the split of functions in SROs dealing with big financial institutions. But

the exception is the area of "relations with consumers". This is the closest the new structure comes to recognising a split between wholesale and retail financial services.

The plan envisages a single unit that would act as a point of entry for consumer enquiries and complaints. This would answer one of the most common criticisms of the current system - that

a fragmentation of bodies confuses people and makes it hard for them to voice their complaints.

Yet on matters of detail such as how Newro will handle relations with the Bank of England, the UK central bank, the report is largely silent. There will be much more consultation and wrangling to come before the full outline of the new organisation can be viewed properly.

Defence minister commits to Airbus transport

By George Parker, Political Correspondent

The government yesterday ended months of uncertainty in the aerospace industry, with a firm signal that it intends to buy 40-50 military transport aircraft from the European Airbus consortium.

Mr George Robertson, chief defence minister, said he was predisposed to buy

the Future Large Aircraft, in a £2bn (\$3.2bn) deal which would secure thousands of jobs in the UK and elsewhere in Europe.

"The decision to issue a formal 'request for proposals' from Airbus Military Company delighted British Aerospace, which is expected to build the wings for the aircraft, and Rolls-Royce, which is likely to provide the engines."

Mr Robertson said the government would also seek bids from other manufacturers to ensure value for money. But he added: "It looks as though the FLA is going to fly."

Britain's firm commitment to the project will please other FLA partners, with France, Germany, Italy, Spain and Turkey all expected to buy the aircraft early in the next century.

Mr Robertson said he was confident Airbus would be able to beat off competition from US rivals for the contract, primarily Lockheed Martin's C-130J and McDonnell-Douglas's C-17.

He said he would try to persuade other countries to open their contracts to competition to ensure the taxpayer got the best possible deal, but officials admitted that such enthusiasm among

European partners was not immediately apparent.

"We believe in buying European, but not at any price," he said.

The FLA is still on the drawing board, but Airbus - a consortium comprising BAE, Aerospaciale, Daimler-Benz Aerospace and Casa - says it will be ready to enter service early next century.

The FLA, which will cost about £45m per aircraft, has

almost double the payload of the ageing Hercules aircraft used by the Royal Air Force.

Sir Richard Evans, chief executive of BAE, welcomed the news, adding: "We welcome the open competition because we are confident the FLA will provide a first class technical and value-for-money solution."

BAE said work on the wings would secure more than 3,000 jobs.

Ban to curb 'fixing' of electrical goods prices

By Peggy Hollinger

Manufacturers of electrical goods are to be banned from recommending retail prices, following one of the longest-running inquiries by the Monopolies and Mergers Commission, the UK competition authority.

The government on Wednesday accused manufacturers and retailers of "operating against the public interest", and said that recommended prices for washing machines, driers, dishwashers, refrigerators, hi-fi, televisions and video equipment had to cease.

"The MMC have found that retail prices are higher than they would otherwise be, price competition in

these markets is muted, new retailers have difficulty in getting supplies and innovation in retailing is discouraged," said Mrs Margaret Beckett, the chief trade and industry minister. "As a result, consumers have to pay more than they should."

She made clear her intention to implement the report's recommendations after an 11-week consultation. She accused suppliers of abusing the recommended price system by reducing discounts to retailers who display prices below levels they considered appropriate.

She cited five companies as having acted against the public interest: Dixons, Empire Stores, Sony, and white goods suppliers Gen-

eral Domestic Appliances and Emaco.

Consumer groups claimed victory after years of lobbying against what they called "price-fixing". Mr Colin Brown, deputy research director of the Consumers Association, said: "Customers will have a wider choice and innovative retailers will now have room to breathe."

However, analysts were sceptical that the report would lead to a wholesale price war in the sector because margins were in general very low.

The UK's leading retailers - Dixons, with 19 per cent of the market, and Comet, with 10 per cent - both said the decision would have no effect on their selling prices.

Michelangelo sale deals blow to auction market

By Paul Jeromack in New York

Sotheby's in New York is to sell a previously lost work by Michelangelo which is a setback for the London auction market.

"Christ and the Samaritan Woman" was consigned to Sotheby's by the Martin Bodmer Foundation in Geneva, which acquired the drawing at a sale in Vienna in 1907.

London has traditionally been the centre of the old master drawings market. Dealers argue the London market's competitive position is being undermined by tax changes imposed by the European Union. In 1995, the UK was forced to levy

value added tax at 2.5 per cent on works of art imported from non-EU countries. The levy, part of EU moves to harmonise VAT, is due to rise to 5 per cent in 1999. This is lower than in other EU countries but it is still deterring some non-European collectors from sending works to London for sale. Last year, such imports fell from £1bn (\$1.63bn) to about £600m.

One dealer in New York said yesterday: "Most of the big buyers of old master drawings - the Metropolitan Museum, the National Gallery, Washington - are in America anyway."

If the EU is successful in its efforts to raise taxes on auction fees in the UK, the

entire London auction market will be made increasingly irrelevant.

Drawings by Michelangelo seldom appear at auction. The last one in over 20 years was "The Holy Family with the young St John the Baptist", sold at Christie's in London in 1993 to the J. Paul Getty museum for just over £4m - a record for an old master drawing.

Sotheby's would not reveal its estimate on the Bodmer drawing, to be sold in January, although one arts analyst said Sotheby's was "nothing to worry about". He said: "It doesn't matter if it's not one of Michelangelo's best drawings, collectors are suckers for big names."

UK NEWS DIGEST

Bank in private finance deal

A consortium led by Goldman Sachs International, the investment bank, was yesterday selected to take over the Department of Social Security's entire 700-building estate under the biggest single deal under the private finance initiative - the scheme which aims to attract private money into public projects. But ministers have abandoned the previous government's plans to use the PFI to refurbish the Treasury's Whitehall headquarters. The scheme was judged to be inappropriate at a time of spending constraint. Under the DSS Prime project, ownership and management of about 1.7m sq metres of offices and other accommodation will be transferred to the private sector. The contract has a potential value of £4bn (\$6.5bn) over 20 years.

In another PFI decision yesterday, the Foreign Office announced that Bebeco - a consortium of German contractors and financiers - would build and manage the new British embassy in Berlin. The building will be occupied by embassy staff on a 30-year contract. Alan Pike

ECONOMY

Interest rates 'need only hit 7%'

Interest rates need only rise to 7 per cent to secure a soft landing for the UK economy, according to a report yesterday from the Centre for Economic Forecasting at the London Business School. It predicts that the strong pound would help slow down the economy enough to make a further rise in interest rates unnecessary, in contrast to some recent economic forecasts. Base rates are currently at 6.75 per cent.

Mr Andrew Sentance, the director of the CEF, said: "A strong pound helps directly to keep down inflation by reducing import costs. It also diverts spending abroad. On the current evidence, a rise in interest rates to 7 per cent later this year should be sufficient to achieve slower growth next year and keep inflation on target."

The report acknowledges that the Bank of England, the UK central bank, faces a dilemma as strong domestic demand appears to justify a rise in interest rates, while the unusual strength of sterling points in the opposite direction. But the report argues that low wage pressures will help the Bank meet its inflation target, set by the government as an annual rise in the retail price index of 2.5 per cent. Wolfgang Münchau

EMPLOYMENT

Fine china group sheds 330 jobs

Royal Doulton, the fine china group, blamed the strength of sterling yesterday for 330 job losses at its headquarters in the north-west of England. The company said the surge in the value of the pound this year had hit sales to tourists in central London - particularly to Japanese customers - as well as exports. But it added that sterling was only one factor behind the job cuts among its 4,800-strong workforce in Stoke-on-Trent, where the company has based production for more than 200 years. The cuts form part of a wide-ranging review of the company's performance, which has suffered from a long-term trend towards more informal dinnerware.

Royal Doulton is now considering further job cuts in its worldwide operations, which employ 7,000 staff. The company has recently opened a £15m (\$24.4m) manufacturing plant in Indonesia, employing 450 workers to produce low-cost dinnerware for supermarket chains in North America and the Far East. Richard Wolfe

FILMS

Funding rethink threatens projects

Some of the most ambitious plans to develop the British film industry could be under threat because of government plans to divert money from the National Lottery. Internal Arts Council memos suggest sharp reductions are likely to the sums available if the government develops a sixth "good cause" from the lottery proceeds. The arts benefit from one of the five existing causes. In January, estimates from the Department of Culture suggested the Arts Council should get £272m-£297m a year and a total of £816m-£891m over four years. In late June, when the new government's plans to divert £1bn to the sixth "good cause" became known, the department's estimates were reduced to £240m-£265m a year and £720m-£750m over four years. Alice Rasthorpe

LEGAL PROFESSION

Joint venture for leading firms

Two of the world's leading international law firms are to establish a joint venture to provide English and US legal advice on international securities transactions. The move, announced yesterday by Simmons & Simmons of the UK and New York's Fried Frank Harris Shriver & Jacobson, took the legal world by surprise.

Mr Alan Morris, managing director of Simmons & Simmons, denied that setting up a joint international securities unit was a precursor to a merger between the two firms. "It's not being done with any intention to merge. But obviously the closer you get the more comfortable you feel about issues like that," he said. The venture was a response to increasing demand from global investment banks.

The unit which will be based in Simmons' London offices will share costs and profits and be able to call on the full resources of both law firms. Robert Rice

SPENDING

Retailers say there is no boom

Retailers are insisting there is no boom on the high street. In direct contrast to recent government figures showing the strongest rise in consumer spending for almost 10 years as a result of some £35bn (\$57bn) in windfalls from savings and loans institutions which have demutualised. The British Retail Consortium, in a survey of more than 1,200 consumers, has found that less than 6 per cent of those who received shares from the demutualisations intend to spend their gains in the shops. Less than 1 per cent planned to spend the entire amount. Most planned to buy holidays or improve their homes. Peggy Hollinger

Insolvency gets rough ride over value for money questions

Insolvency experts are having a tough time. Three recent cases appear to show them charging big fees but recovering little for creditors.

Accountants Buchler Phillips, receivers to the personal estate of the late Robert Maxwell, recovered £1.672m (\$2.72m) for creditors. But their bills - along with those of solicitors Nabarro Nathanson - came to £1.628m, leaving £44,000 for creditors.

Mr Justice Ferris said the fees were "shameful" and ordered that the accountants' costs of £223,000 should be reviewed - in spite of pleas that the high fees stemmed from the complexity of the case. He added: "Remuneration should be fixed so as to reward value - not so as to indemnify cost." In other words, results were just as important as chargeable fees per hour.

Three cases appear to show big fees but little for creditors, writes Jim Kelly

Earlier, a judge in Luxembourg ruled that fees charged by liquidators at Deloitte & Touche in the six months after the collapse of BCCI should be £1.805m - not the £2.877m they had billed. The case may go to appeal. The firm said their performance should be partly judged on value. It pointed to the fact that \$6.5bn had eventually been recovered for creditors after the biggest fraud in banking history had left a black hole of \$11bn.

Then accountants Arthur Andersen found themselves in the firing line. They reportedly told creditors of Chamberlain Phillips, the shoemaker, that £3.5m worth of time had been spent to recover £1m of its £35m losses. But the receivers said the costs of setting up complex overseas deals to sell parts of the businesses should eventually more than justify the outlay.

In all these examples there are reasons why fees were high. In the complex BCCI case, eventual recoveries for creditors may be in excess of initial estimates of 10 per cent - possibly higher than 50 per cent. In Chamberlain Phillips the creditors' big chance of recovering losses lies in successful sales. Both cases involved the initial stages of the insolvency - not the overall picture.

In the Buchler Phillips case there were also problems about complexity. Some of the tortuous work the accountants had to do got them nowhere - at least in terms of finding assets.

"Fees should represent value to some extent," said one leading insolvency practitioner. "Why didn't they make clear what their costs were but drop the fees in the light of the recoveries - in the long run they might have got more that way." A review of the case by regulators is under way.

The judge in the case is leading a working party which is reviewing how courts set the fees of insolvency experts that they appoint - as was the case in Buchler Phillips.

It is understood the judge broke off his review to hear the Buchler Phillips case - and that his statements conclud-

ing it may well reflect the final report.

The profession has reacted positively to the idea of including the concept of value in setting fees - although it does not want a rigid system of contingency fees based solely on the amount collected for creditors.

Mr Nigel Hamilton, head of insolvency at Ernst & Young, said that if fees were directly linked to recoveries then some experts would "shy away" from doing the kind of complex work which can - for example - make sure rogue directors are exposed.

Creditors are increasingly able to monitor insolvencies and bring pressure to trim costs. In the BCCI case, for example, the creditors have successfully cut fees in the UK.

In future, insolvency experts will have to be more skilled at explaining to

creditors why money must be spent on their behalf. Society of Practitioners of Insolvency, the profession's umbrella organisation, recently published rules requiring experts to be more open about their work. As a result there are bound to be more cases of unhappy creditors.

Meanwhile, the self-regulatory bodies which monitor the profession, along with the Department of Trade and Industry, are conducting a review of the sector. It will report privately later this year, but a consultation paper may well follow, with fees a likely topic. The profession knows its only reliable defence against accusations that it milks creditors is an ability to demonstrate that value, as well as cost, underlies the fees charged when seen over the full length of an insolvency.

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MANAGEMENT

The decision by SHL Group, one of the UK's main providers of psychometric tests, to float on the stock market is the latest indicator of growing interest by employers in using more formal recruitment and career development methods.

Founded in 1977 by two psychologists - Peter Saville, chairman and Roger Holdsworth, group managing director - SHL is expected to be valued at more than £100m when its shares are placed this autumn.

SHL has enjoyed compound annual sales growth of 20 per cent since 1989 and last year its UK turnover reached £16.7m. The company's broker, BZW, says that there are no generally accepted statistics for the size of SHL's potential market, but estimates that it could be worth £150m in the UK alone.

However, more than half of SHL's sales are outside the UK and the company operates in a total of 36 countries. In the US, it has 82 clients out of the Fortune 100 companies and in the Netherlands it is employed by about half of the largest companies.

Holdsworth says that two of the most important influences underlying the rapid growth in this market are the influence of multinational companies, which wish to apply consistent selection criteria across their operations, and concern over the business and legal costs of discrimination.

A recent survey by Industrial Relations Services, the independent UK employment research organisation, examined the selection procedures of 157 organisa-

A measure of objectivity

Psychometric testing is a growing recruitment aid for employers, writes Andrew Bolger

tions, which between them employ more than a third of a million people.

It says: "There is a greater recognition on the part of line managers of the importance of objective selection procedures. Legislation is also a key driving factor, with continuing awareness of the need to ensure equal opportunities compounded by new developments such as the implementation of the Disability Discrimination Act."

Another pressure to improve selection is the cost of getting it wrong. Research sponsored by SHL found a third of graduates move on to another job in the first three years after joining a company. Typically, it costs £4,600 to recruit a graduate and a further £30,000 is spent before the employer sees a return on its investment.

Psychometric tests claim to provide a fair and objective method for measuring an individual's abilities, personality, and motivation. "Psychometric" is a blanket term, covering ability

tests and questionnaires on personality, motivation and management style.

IRS found the biggest growth in the past five years has been in the use of ability/aptitude tests, which are now used by 75 per cent of employers - most frequently for choosing clerical and secretarial workers.

Personality questionnaires are designed to measure an individual's preference in terms of their relationship with others, their thinking style and their feelings. There are no right and wrong answers. Such questionnaires are most likely to be used to select managers, graduates, professional and technical staff.

The IRS study found that there has been hardly any growth over the past five years in the proportion of employers using personality questionnaires. However, they remain popular in the finance sector, where more than 80 per cent of companies use them.

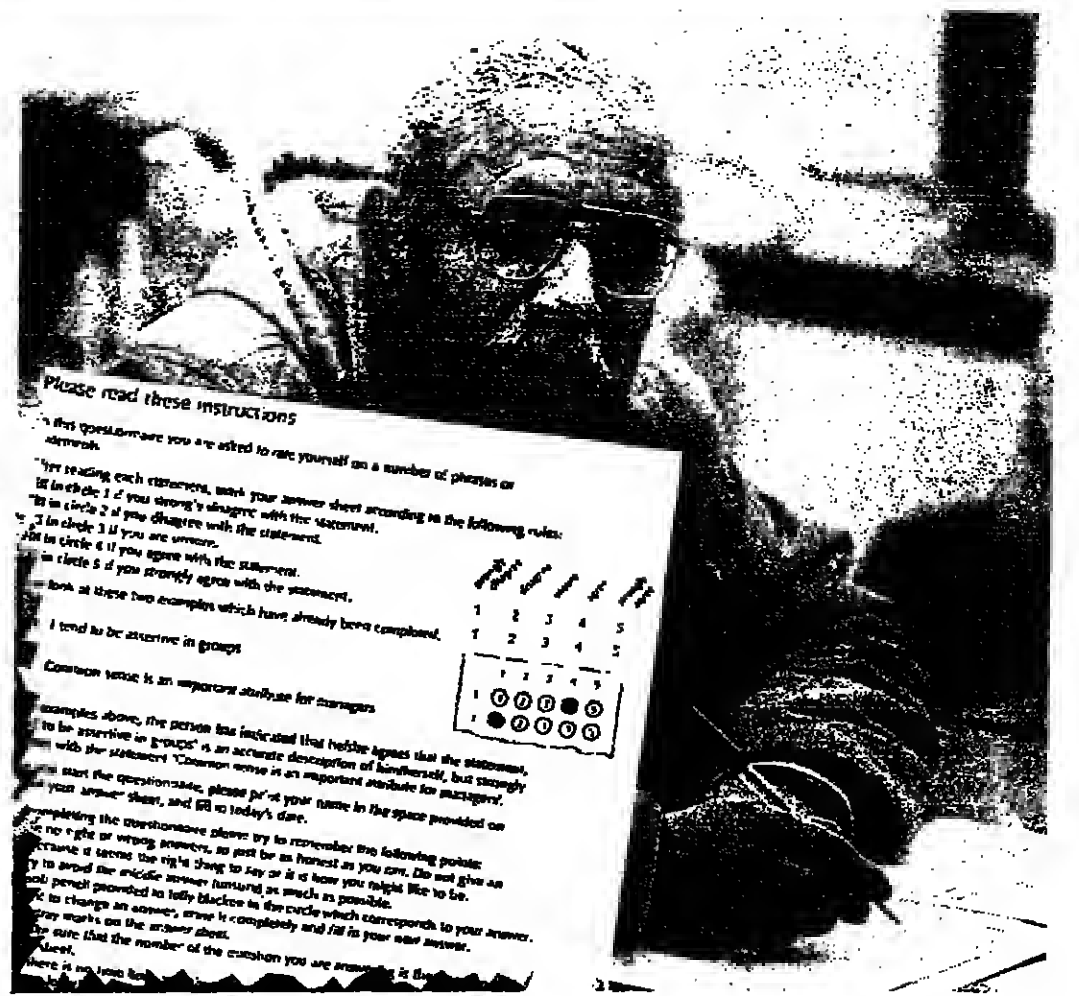
"The fact that there has been little or no increase in usage is probably a reflection of those

concerns that have been expressed about their validity as a means of choosing staff," says Rachel Gooch, IRS research officer responsible for the project.

Holdsworth concedes that compared with the rigor of aptitude tests, personality questionnaires rely on a "weaker" form of evidence - asking people to describe themselves. But he insists: "The evidence is that it works surprisingly well - provided that the questions have been cleverly designed."

How does one tell if people are lying? Holdsworth says: "They don't do it all that much. It is not unknown for people applying for customer service jobs to say they don't like working with clients. Either they can't be bothered to lie - or can't work out what is required."

A survey by Hays Accountancy Personnel, the recruitment specialist, suggests that many employers still need all the help they can get in making their recruitment procedures more rational and systematic.



It found that regional accents can be a hindrance or a help, depending on where applicants come from.

Dennis Waxman, managing director of Hays Accountancy, says the survey shows personal

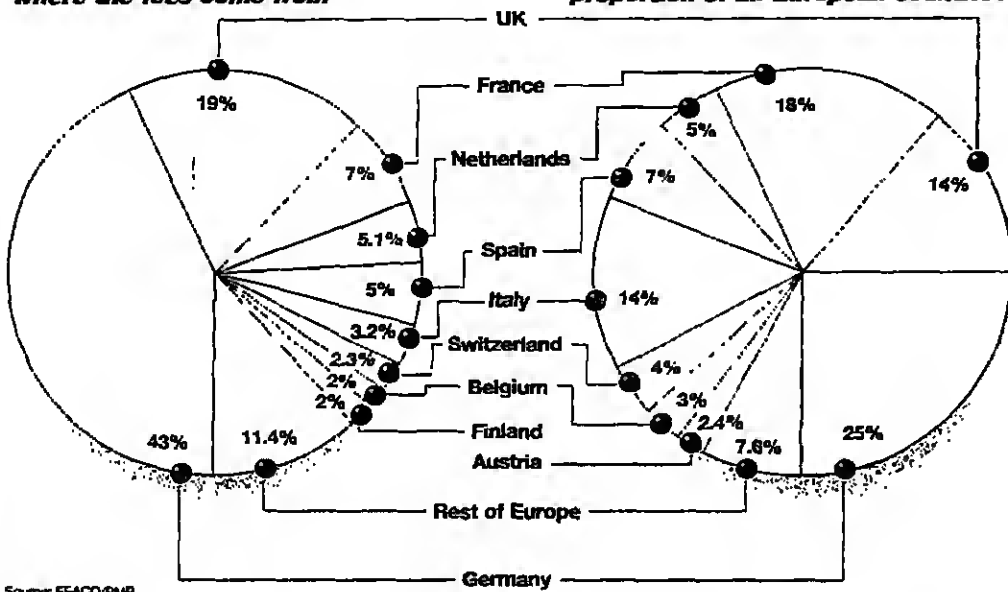
preferences and "gut instinct" still have an influence over much of the recruitment which takes place today.

"It is in this context that psychometric and other forms of more scientific assessment come

into their own, as they are able to reduce the impact of any form of discrimination," he says.

*The State of Selection, £30 from IRS, 18-20 Highbury Place, London, N5 1QP. Tel: 0171 354 5555

Management consultants: where the fees come from



Source: FEACQ-PMP

Healthy times for consultants

Europeans handed over nearly £11bn in fees to management consultants last year, about 10 per cent more than the previous year, reports the Federation of European Management Consulting Organisations.

Its survey for 1996 shows Germany and the UK were by far the largest consultancy markets, together making up 62 per cent of total European fees earned. The figure contrasts with the 39 per cent of European gross national product the two account for.

Countries where consultants saw the greatest percentage growth in fees were: Switzerland (22 per cent); Spain (21 per cent); and UK (18 per cent). Germany (9 per cent) and France (4 per cent) were among the lowest.

The federation lists five factors it believes are behind the healthy market for consultants' services:

- Forced change because of globalisation and intensifying competition.
- Economic growth and development within Europe.
- European regulatory standards and convergence criteria.
- Privatisation and deregulation of emergent Eastern European economies.
- Rapid information technology advances and issues such as the 2000 "bomb".

Information technology - consultancy and systems development combined - generated the most fees, accounting for over 22 per cent of total income.

Corporate strategy and organisation development came second, contributing 20 per cent, but this percentage was not uniform across all countries. For example in Germany it accounted for 25 per cent of fee income, while in France it was only 6 per cent.

The main areas of increased activity were IT (up 15 per cent) and financial and administrative systems (12 per cent); growth in other activities was generally in line with the 10 per cent norm.

Public sector work accounted for about 17 per cent of fees, with the Scandinavian governments the greatest buyers (average 28 per cent), and those of Austria, Italy and Spain (average 7 per cent) the smallest. The European Commission

contributed 3 per cent of the total fee revenue.

Overall, the federation believes there are about 137,000 management consultants operating in Europe, 95 per cent of them in firms affiliated to its organisation.

The chief area of growth in the coming year will be IT, federation members say, with demand continuing for the foreseeable future. Human resource consultancy is also expected to grow.

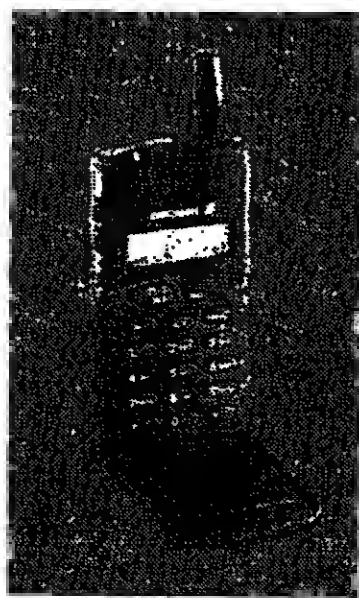
*Survey of the European Management Consulting Market, 1996, £30, FEACQ, Brussels, 00 323 223 0413 or PMP Research, UK, 44 1923 285 323.

Diane Summers

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THE PROPERTY MARKET

The impressive skyscrapers which have risen over Frankfurt am Main within the past 25 years - Sir Norman Foster's looming 256-metre Commerzbank Tower the most recent - have prompted wits to describe the city as Germany's "Mainhattan".

The joke can fall flat with those residents frustrated by the sleepy provinciality of this city, which still sees itself more as the capital of the local state of Hesse rather than as Germany's financial heart, which it nevertheless is.

But joking aside, the lofty office towers are testament to a rapid growth which has transformed the city of 650,000 people into Germany's largest and most expensive commercial property market.

The towers are also testament to the city's lofty aspirations as it seeks to become Europe's pre-eminent financial centre. Chosen as the site of the future central bank, which will oversee Europe's planned single currency, Frankfurt is firmly anchored at the centre of economic and monetary union, which means its fortunes - and those of its property market - will be tied to those of Emu.

"Despite the recession, which affected Frankfurt just as it did the rest of Germany, the city now commands the highest prices for office space in the country," says Mr Robert Orr at Jones Lang Wootton, the property group in Frankfurt.

Once the beautiful home of Goethe, Frankfurt suffered terrible destruction during the second world war. It was rebuilt in a seeming hurry. Mr Jürgen Schneider, the property tycoon who is now on trial in a Frankfurt court, was responsible for much of the development in the 1980s and early 1990s. His property empire collapsed in 1994 amid huge debts. He is alleged to have cheated Germany's highest banks out of the money he used to finance his developments.

But Mr Schneider's legacy was not all bad. He reconstructed some historic buildings in Frankfurt and developed sites on the Zeil, the busy central shopping avenue. One of his creations, a huge shopping centre with dizzying futuristic walkways

Frankfurt prime office rents



Source: Jones Lang Wootton

inherited by Deutsche Bank after Mr Schneider's demise - is to be the home of Frankfurt's new Planet Hollywood restaurant.

Mr Schneider was in part a victim of the early 1990s recession which devastated the property market in Frankfurt as it did in the rest of Germany. Rental prices in the city fell by about 40 per cent from their peak in 1991. Prices have now stabilised, but there is still a vacancy rate of about 8.5 per cent.

"The market has been in a recession since 1992. For five years there have been falling prices, both rental and capital," says Mr Orr. "Growth now is likely to be limited. We still see vacancy rates remaining around 7.5 per cent to 9 per cent. It is likely to remain a tenants' market for the next couple of years."

According to DTZ Zadelhoff, the property agent, the city had a total of 9.65m sq

m of office space at the beginning of this year, of which 827,000 sq m was available to let. In the leafy Westend business and residential district and in the banking area, as much as 18 per cent of office space is empty. In the rest of the central city, about 125,000 sq m, or 15 per cent of office space, is available.

Zadelhoff calculates that a further 278,000 sq m of office space will be completed this year, and another 76,000 sq m next year. Rents for first-class office space are now estimated to stand between DM50 (£16.60) and DM65 per sq m per month; second-class rents are much lower and still falling.

The city's most prominent development, the Commerzbank tower - a colossus officially opened last week and which has its own internal gardens - will release a new supply of space on to the market as the bank leaves other offices in the city to

move into its new home. In spite of this, yet more developments are planned, especially in the west of the city centre around the hulking Messe Turm, in the city's fairgrounds, and next to the main railway station. A run-down industrial harbour area on the south bank of the river Main is also due to be developed.

Demand for office space is driven largely by foreign companies. Many are banks or other financial services companies keen to keep a presence in Germany and in the city at the centre of the Emu project.

However, several of these companies are taking advantage of newly available space and lower prices to move from their existing premises to plusher, yet less expensive offices. Meanwhile, the older offices are largely ignored. The result has been a stagnant market for second-hand office space.

Contracts signed in 1991 or 1992 at about DM75 per sq m are now coming up. Companies are reducing costs and getting better space, says Mr Orr. Some banks which left the centre for cheaper locations at the market's peak are moving back into town.

Many of Frankfurt's skyscrapers - such as Deutsche Bank's mirrored twin towers - were financed through closed-end property funds, which along with insurance companies and open-ended property funds are the most important institutional investors in the German property market. Despite the recession, the amount of money flowing into the property funds has been surging, analysts say.

"Paradoxically, demand for office space has fallen because of the recession, but the money that has been flowing into commercial real estate has been growing," says one property analyst.

"This is because interest rates offered by alternative investments such as bonds or bank accounts are at historically low levels. However, there are signs that some investors may be switching out of property funds into equities - to take part in the spectacular rally at one of Frankfurt's most famous institutions, the stock exchange."

ARTS

Music fit for the gods

Stephen Pettitt talks to US composer Roger Reynolds about his Proms commission

The American composer Roger Reynolds, whose *Red Act Arias* receive their world premiere at Monday night's Prom, might not be every Proms director's first choice for a special commission. In this country he is comparatively little known, his music rarely played, though that is certainly not the case elsewhere. But when the current chairman in charge of the Proms, Nicholas Kynan, was music critic of the New Yorker, he wrote glowing reviews of Reynolds's music. Obviously the memory has stuck.

All other things being equal, Reynolds, now 63, should have been an obvious choice all along. An unashamedly experimental composer, fired by the idealism and imagination of the 1960s, he naturally thinks big and spectacular. He speaks in an unpretentious stream of American intellectualism - he teaches in the prestigious music department at the San Diego campus of the University of California - about the new work.

He was looking to write an opera, and the Japanese Nobel Literature Prize winner Kenzaburo Oe's *Personal Matter*, which concerns the

author's retarded but musical son, presented itself as a strong candidate for his subject. "I was interested in exploring how music is a way of relating to the world that is not a language, and doesn't require the trappings of language, but succeeds quite well in a way we don't quite understand." Oe gently refused - the Japanese composer Toru Takemitsu had already asked and been turned down too - so Reynolds turned elsewhere.

He asked himself what other characters and circumstances might involve this "speaking beyond" in some way, and the character that sprang to mind was Cassandra, the prophetic daughter of King Priam and Hecuba in Greek mythology. Reynolds looked at the plays of Euripides and Aeschylus and became fascinated by the relationship between

Agamemnon and Clytemnestra. "It has extraordinary currency. On the one hand there's Agamemnon, who's willing to sacrifice his daughter Iphigenia, knowing how vile a thing it is to do but feeling unable to make another choice. And on the other there's Clytemnestra, saying he can't do it and explicitly warning him about the consequences. It's about the difference between something which is constructed - society, law, the army, honour, pride - and something which sustains or continues or conserves - relationships, home, family. The art critic Robert Hughes spoke about the conflict in contemporary society of the natural-based and the culture-based, and I think there's a parallel there."

Reynolds next set about assembling texts chosen from Richard Lattimore's translations of three plays involving the two characters (Euripides'

Iphigenia in Aulis and *The Trojan Women* and Aeschylus's *Agamemnon*) to make a new play, *The Red Act*. "I took out enough of the gods and the blood to make it so it could be new. It isn't, but it could be."

A production of the play for New York is tentatively planned for next year. And then came the Proms commission. "I thought one way to start the opera project would be to explore the largest ends of it by doing arias on special parts of the text. The whole piece is a progression from the massive to the individual, from the state to the banished woman. So we have the chorus singing as one voice, like an aria for choir. As the text heats up the line divides, but it remains pretty much syllabic."

The choir is prerecorded and

subjected to computer treatment so that the sound moves in different ways all over the hall, enveloping and involving the audience in the experience and emotions of the work. He has always been interested in using space as a musical parameter, since the non-technological *The Emperor of Ice Cream* in the early 1960s. Throughout the work ten small choral elements - single words, tiny phrases - are transformed and reiterated. "Much of Greek writing is obsessive, so I wanted to find a way of being obsessive which isn't irritating." And in the first aria the sound of fire is metamorphosed into that of water to signify the storm and the sinking of the Greek fleet on its way home from Troy. Sound-effect? "I use electro-acoustic elements for their capacity to enlarge ideas, not to replace them."

Reynolds insists that *Red Act Arias* will become the intended *Red Act* opera. Plans are already well advanced. For him planning is crucial. There is no wandering about in a labyrinth, no uncertainty about shape or direction. "In order to make something complicated and large you have to plan. If you plan, it happens: so, yes, I envision the whole at the beginning."

Reynolds, however, is far from being the clinically calculating composer that this method might seem to suggest. He thrives on inspiration, and his literary influences, drawn from a broad range of writers - Samuel Beckett, Jorge Luis Borges, Milan Kundera and the American poet John Ashbery - are particularly crucial. He elegantly defends the fact that the computerised elements in the new work are predetermined rather than "real-time" manipulations. "A composer doesn't work in real time. He's free of time and can invent history and the future. The computer allows the realm of imagination to be converted into the realm of experience, and that's a very important thing for an artist. It's also a lot of fun."

Theatre

Strictly farce in the park

The Open Air Theatre in Regent's Park has fallen into the happy habit of scheduling a musical into its traditional programme of bosky Shakespeare. In theory, planting a full-blown Broadway musical on to a wooded glade in a London park is chasing fool's gold; in practice, the very audacity of the idea creates an especially light hearted atmosphere: cast and audience become "let's do the show right here" trouper.

This year's production is *Kiss Me Kate*, the spoof of *The Taming of the Shrew* that in 1948 revived the career of Cole Porter. He was reluctant to tamper with Shakespeare, but was obviously inspired by the challenge, quickly producing a score which in its variety and happy mix of witty words and tuneful music, is hardly matched on the Broadway stage.

The audience can do little but sit back and purr as classic love songs like "So in Love", tumble over jaunty burlesque numbers like "Always true to you, darling in my fashion", with a patter song, "Brush up your Shakespeare", that sounds like W.S. Gilbert paired with Damon Runyan, held back for the barnstorming finale. This is a slapstick version, not only of the *Shrew* but also of *Kiss Me Kate*; purists best leave their reservations in the rose garden - it is strictly farce tonight.

The plot, based on the genuine hickering between Alfred Lunt and Lynn Fontaine while they were performing *The Shrew*, is hardly noticed in this stream of melody and mayhem: which is the only weakness in a delightful evening. Andrew C. Wadsworth as Fred Petruchio, and Louise Gold as Lili-Kate, hardly conjure up together the sexual chemistry of divorced but doating lovers, but when alone on stage for their big numbers there is no stopping them. Wadsworth wickedly torments a front row fan in "Were there that special face", and Gold gets raucous vocal support from the women in the audience in her venomous performance of "I hate men".

There was also more spunky duelling between the majestic Ms Gold and the bouncy lissay van Randwyck, who grinned, gagged, and goggled through the vaudeville songs: no one was allowed to miss one second of her performance. Throw in Gavin Muir and Rob Edwards, the poetic



Vaudeville act: the bouncy lissay van Randwyck in the Cole Porter classic 'Kiss Me Kate' evening there could hardly be a more charming, escapist, diversion to be had in London.

Sponsorship/Antony Thorncroft

Artistic buzzwords to colour the competition

The ninth Prudential Awards for the Arts, the most lucrative event in the sponsorship year, with £300,000 in prize money to be distributed to imaginative arts companies, takes place at the Tate Gallery on October 30 to coincide with the Pru's sponsorship of a Pre-Raphaelite show.

It will be the last of its kind. The Prudential has decided that while its commitment to the arts remains as strong as ever, it is not in the business of running arts prizes. It is handing over all responsibility for the event to the Association for Business Sponsorship of the Arts, which expects to come up with an entirely new format.

Instead of companies in music, dance, opera, theatre and the visual arts each receiving £50,000 with which to mount new work, the prize will go to the arts organisation which has made most progress in implementing the new government's artistic buzzwords - training, education, and access. ABSA is posing the question: "what can this sort of money achieve for the arts" and it will be asking the government, among

others, for its views. The money will stay around £300,000, and is committed for two years, but the Pru could save £200,000 in administration costs. The prizes will have a new title, the Creativity Awards, or the Innovation and Access Awards, or something that stresses the aims of the exercise rather than promotes a corporate name. How the money will be split up, and whether it will go to companies or individuals, has yet to be decided. Details of the awards should be announced by November.

ABSA is launching in the autumn one of its periodic assaults on the media to try to ensure that arts sponsors get due credit for their generosity. Poor recognition by the press, TV and radio of their commitment is the biggest complaint of sponsors.

Typical is the experience of Pearson, owners of the FT. It is currently putting £300,000 behind the Seurat show at the National Gallery, but the lack of credits has compelled Neil MacGregor, director of the NG, to write to editors, pointing out the importance of mentioning sponsors. Even so, with

Covent Garden on the brink of bankruptcy

The Royal Opera House, Covent Garden, was on the point of declaring itself bankrupt today, writes Antony Thorncroft. Only a last-minute intervention from Lord Sainsbury, who provided a loan of £1.5m, and from Mrs Vivian Duffield, who supplied £0.5m, enabled it to go ahead with its programme. The money must be repaid by the year 2000.

The Royal Opera House closed last month for refurbishment. It reopens in December 1999. The funding for the £214m re-development is almost in place, thanks to £78.5m through the arts lottery fund and £70m raised from an appeal, which has a target of £100m.

But the day-to-day deficit of the ROH had touched £5m and the closure of the house meant that future revenues were uncertain. The accountants said that the position was perilous. The Arts Council turned down a request for extra funds and only the support of the ROH's most loyal benefactors have kept it on the road.

It still faces substantial problems. Although it has already taken £3m in advance ticket sales for its forthcoming London seasons, Covent Garden is worried by the poor demand for the Royal Ballet's performances in September at the Lobbatt Apollo in Hammer-smith. Only a quarter of the 3,500 seats available each

night have been sold. In contrast the opera season at the Barbican is 60 per cent sold.

Covent Garden's chairman Lord Chadlington announced yesterday that he was setting up an executive board under the new chief executive Mary Allen, who arrives in September, to run the Royal Opera House on a day-to-day basis.

He is also widening the membership of the main board, with the aim of including more members with experience of performing in the arts. He is also looking for people with marketing experience who can increase the revenues of Covent Garden by promoting its brand name.

INTERNATIONAL
ARTS GUIDE

■ BONN

EXHIBITIONS
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland
Tel: 49-228-917 1236
Sigmund Polke: subtitled "The Three Lies of Painting" this show aims to be the largest ever held in the country's biggest exhibition halls. Including some 180 loans, it will document Polke's work from 1962 to the present, and will transfer to Berlin's Hamburger station, to Oct 12

■ DROTTHINGHOLM

OPERA
Drottningholms Slottsteater
Tel: 46-8-4570600
Orfeo: Swedish premiere of Luigi Rossi's 1647 version of the legend of Orpheus. The producer is Jack Edwards, the musical directors Stephen Stubbs and Paul O'Dette, the designer Robin Linklater and the choreographer Lucy Graham. With the Drottningholm Theatre Ballet and

Orchestra; Aug 2, 5

■ EDINBURGH

EXHIBITIONS
Royal Scottish Academy
Tel: 44-171-624 6200
Sir Henry Raeburn (1756-1823): major exhibition of around 70 works by this most famous of Scottish painters, bringing together the works owned by the National Gallery with loans from around the world; from Aug 1 to Oct 5, after which the exhibition will travel to London

■ LONDON

CONCERTS
BBC Proms, Royal Albert Hall
Tel: 44-171-589 8212
● BBC Symphony Orchestra and Singers conducted by Leonard Slatkin in works by Mahler, and world premiere of Roger Reynolds' *The Red Act Arias*; Aug 4
● Bournemouth Symphony Orchestra: conducted by Yakov Kreizberg in works by Mozart, Korngold, Markovitch and Stravinsky. With violin soloist Gil Shaham; Aug 5
● Jiri Bělohlávek conducts the BBC Symphony Orchestra and Chorus in works by Brahms, Chopin and Schubert; Aug 1
● Royal Scottish National Orchestra: performs works by Glinka, Prokofiev, Tchaikovsky, and the UK premiere of Gya Kanchev's Symphony No. 3. With violinist Tasmin Little and counter-tenor David James. Conducted by Alexander Lazarev; Aug 3

● The Mackenburgh Opera company: performs *Mahagonny-Songspiel* and *The Seven Deadly Sins* by Kurt Weill. The programme is completed by a selection of German cabaret songs; Aug 3

■ SALZBURG

CONCERTS
Salzburg Festival
Tel: 43-662-844501
● Ensemble Modern: conducted by Hans Zender in a programme including works by Esai; at the Mozarteum; Aug 6
● Philharmonia Orchestra: conducted by Kent Nagano in works by Messiaen, Pintscher and Debussy; at the Felsenreitschule; Aug 1
● Philharmonia Orchestra: conducted by Bernard Haitink in works by Mahler; at the Grosses Festspielhaus; Aug 3, 4
OPERA
● Boris Godunov: by Mossgorski. Conducted by Valerie Gergiev in a staging by Herbert Wernicke. Samuel Ramey sings the title role. Cast also includes Philip Langridge. With the Vienna Philharmonic, the Konzertvereinigung Wiener Staatsopernchor and the

Slowakischer Philharmonischer Chor Bratislava; at the Grosses Festspielhaus; Aug 3
● Die Zauberflöte: by Mozart. Christoph von Dohnányi conducts a new production by Achim Freyer. With the Vienna Philharmonic and the Konzertvereinigung Wiener Staatsopernchor; at the Felsenreitschule; Aug 2, 6

■ SANTA FE

OPERA
Santa Fe Opera
Tel: 1-505-986 5900
● Arabella: Janice Watson sings the title role of Strauss's opera, in a new production directed by John Cox. The conductor is John Crosby; Aug 1, 6
● Così Fan Tutte: Kenneth Montgomerie conducts Mozart's opera, sung in English, in a new production directed by Nicolette Molnar and designed by Bruno Schwengli; Aug 2, 5
● La Traviata: Linda Brovsky directs this new production of Verdi's opera, set in the Parisian demi-monde. Christopher Larkin

conducts; Aug 4

■ SCHLESWIG-HOLSTEIN

CONCERTS
Music Festival
Tel: 49-431-567080
● Musica ad Rhenum: in works by Bach and Handel; at St. Nicolai-Kirche, Lüneburg on Jul 31 and at the Dom, Meldorf on Aug 1
● Philharmonie der Nationen: conducted by Justus Frantz in works by Rossini, Mendelssohn, Respighi and Verdi; at the Finkenstädt, Haselndorf on Aug 5; at the Schloss, Kiel on Aug 6; at the Musik- und Kongresshalle, Lübeck on Aug 7
● Taverner Consort & Players: conducted by Andrew Parrott in a programme including works by Bach; at St. Marien-Kirche, Lübeck on Aug 4 and at St. Michaels Kirche, Hamburg on Aug 5

■ TANGLEWOOD

CONCERTS
Tanglewood Festival
Tel: 1-617-931 2000
● Boston Symphony Orchestra: conducted by Seiji Ozawa in works by Beethoven and Berlioz. With piano soloist Arcadi Volodos and tenor John Aler; the Shed; Aug 1
● Boston Symphony Orchestra: conducted by Andrew Westfield in works by Lieberov, Saint-Saëns and Rachmaninoff. With violin soloist Joshua Bell; the

Shed; Aug 2
● Boston Symphony Orchestra: conducted by Seiji Ozawa in works by Barber and Mahler. With soprano Barbara Bonney; the Shed; Aug 3
● Boston Symphony Orchestra: and Tanglewood Music Center Orchestra conducted by Seiji Ozawa, Leon Fleisher, Keith Lockhart and John Williams in a programme which includes Tchaikovsky's 1812 overture; the Shed; Aug 5

■ VERONA

OPERA
Arena di Verona
Tel: 39-45-800 5151
● Aida: by Verdi. Conducted by Nello Santì in a staging by Gianfranco de Bosis, revived by Susy Attendoli. Casts vary; on Aug 1, 10 & 15 Marie Guleghina sings the title role
● Carmen: by Bizet. Conducted by David Gimenez, in a staging by Franco Zeffirelli; Aug 3
● Madama Butterfly: by Puccini. New production. Conducted by Angelo Campori, with designs by Beni Montresor; casts vary; Aug 2

■ WASHINGTON

CONCERTS
Wolf Trap Tel: 1-703-218 6500
● National Symphony Orchestra: conducted by Zdenek Macal in a programme of works by Tchaikovsky; Aug 1
● National Symphony Orchestra: conducted by Zdenek Macal in Verdi's Requiem, with the Choral Arts Society of Washington; Aug 2

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10.00
European Money Wheel

18.00
Financial Times Business Tonight



Philip Stephens

The near horizon

A decision on the single currency could be taken this autumn, with familiar dilemmas returning to test Labour

Tony Blair's government could be forgiven for thinking Europe had gone away. Wrong. Its signature on the treaty of Amsterdam promises only a brief respite. The decision that will define Britain's place in the European Union may well be taken in October. The single currency has returned to the near horizon. Britain stands again at the all-too-familiar fork in the road.

The Emu story is still replete with tantalising ifs and buts. Its principal author, Helmut Kohl, has still to write the final chapter. Events could yet snatch the pen from his hand. After the Franco-German row at the Amsterdam summit, I judged the odds had shifted towards postponement. But Lionel Jospin's package to return France's budget deficit to within striking distance of 3 per cent has, just, reinstated the original timetable.

That is certainly the view anyway among the people in Whitehall who are paid to advise Mr Blair on these things. So let's consider what the mandarins now see as the most likely denouement. We can call it the central scenario.

The letter of the Maastricht treaty provides for a final decision next spring on who is eligible to join the single currency. By then we should know which countries have cleared the hurdles for fiscal deficits, debt ratios and the rest. The European Monetary Institute and the European Commission are tasked with auditing the figures.

Yet anyone who has followed the Emu saga will understand by now that politics takes precedence over economics. The mood of the politicians counts for more than the minutiae of treaty texts. And if Germany and France conclude the project must go ahead regardless, why wait another nine months?

Mr Kohl is as determined

as ever that Emu will start on January 1 1999. True, he still harbours deep suspicions about Mr Jospin's government. It carries too many echoes of François Mitterrand's experiment with socialism in one country. The chancellor will expect reassurance when he meets the French prime minister at the end of this month. And, yes, barely a week goes by without one or other German politician raising new doubts about the wisdom of sacrificing the D-Mark to the euro.

At home, Mr Kohl has three obstacles to negotiate. First, the Bundesbank must be persuaded if not to support the enterprise then at least not to oppose it. Then the Bundesrat, which represents the federal states in the Bonn parliament, must be similarly persuaded. Finally, the euro must survive an inevitable challenge in the nation's constitutional court.

For the chancellor, though, this is history in the making; the chance to lock the Germany he united into a European future. The project transcends the decimal points which so preoccupy Europe's finance ministers. And, if the economic criteria for Emu are indeed to be fudged, which they must be, this particular nettle may be better grasped.

I suspect that Gordon Brown's preferred scenario would be one in which the others decided on a delay to Emu of, say, two or three years

sooner rather than later.

France has better reasons for accelerating the timetable. Even after Mr Jospin's package, the budget deficit this year will be above 3 per cent. By how much is open to question. But on present trends Paris cannot expect much improvement in 1998. A pre-emptive strike is required. Would the guardians of the fine print at the EMI or, for that matter, the financial markets defy an unequivocal political commitment from Bonn and Paris?

The scenario, it must be said, makes one or two other heroic assumptions: most notably that the latest turnaround in Italy's economy leads Mr Kohl to accept that it, along with Spain and Portugal, should be part of the first wave. But then waiting until next spring would not resolve the dilemma. It would probably be still harder to exclude Italy once all the figures have been collected.

So where does this leave Mr Blair, a prime minister determined if not to set the economic agenda in Europe then at least to be part of it? The first thing to be said, and I believe he understands this, is that Britain's influence over an early Franco-German initiative is about as close as you can get to zero. Those who postulate that Mr Blair could wield a veto, or that he talk Bonn and Paris into delay, are deluding themselves. Mr Blair made friends in Amsterdam; that does not add up to serious influence.

If he were ready to give up sterling in 1999, things might be different. But Gordon Brown, his chancellor, has all but told us this is not an option. The exchange rate mechanism is too close a reminder of what can happen if exchange rates are fixed when the economic cycles on either side of the Channel are misaligned. I suspect Mr Brown's preferred scenario would be

one in which the others decided on a delay of, say, two or three years. Britain might respond with a pledge to be in at the start. At best, this is implausible.

Looking beyond 1999, Mr Blair knows that, if it proceeds, the single currency will restate the old political core in Europe. He has no inclination, in Kenneth Clarke's inimitable phrase, to dine with the Greeks while the Germans and French take the decisions.

To Mr Blair's mind, Emu will render his own economic prospectus - flexible markets, education and training, employability - more relevant than less relevant. Something has to replace the exchange rate safety valve. Mr Brown intends to make this so-called third way between the old Anglo-Saxon and continental models a centrepiece of the British EU presidency in the first half of next year. But whether anyone will listen to a government speaking from the sidelines depends on Mr Blair's intentions.

As far as one can see, they are as follows: if Emu works, Britain cannot for long remain outside. Certainly, he is much preoccupied by the issue. He has told the Treasury it must be ready to react quickly to events. He wants a national debate. The Confederation of British Industry has taken a first step off the Emu fence in favour of joining. The unions have already signed up. If sterling remains at the present, absurdly overvalued levels, wider opinion may move much faster in the same direction.

Doubtless there are a dozen other scenarios. But there is now a chance, no more, that Britain will swap the pound for the euro this side of a general election. If not, Mr Blair, like his predecessors, will find he has to shout in Europe just to be noticed.

LETTERS TO THE EDITOR

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One-sided efforts will not provide solution in Bosnia

From Mr Michael Pravica.
Sir, Robin Davies is certainly correct to assert that the proper strategy to be implemented by the international community to help Bosnia should be economic leverage - especially as economic stagnation was a primary cause of the Yugoslav civil wars ("For credibility's sake", July 22).

However, I fail to see where any credible economic leverage exists in Republika Srpska given that most western efforts in Bosnia have alienated Serbs to the extent that most of them do not

trust western intentions to be in any way in support of their national survival.

Of the billions of dollars of aid that have gone to Bosnia to date, less than 1 per cent has reached Republika Srpska. This, coupled with economic sanctions against this tiny entity of some 1.4m misunderstood souls, has so isolated its inhabitants that the potential for spawning terrorism here is very real. To paraphrase a pamphlet threatening Nato occupation troops, "we have very little to lose".

If the international com-

munity really desires to heal Bosnia, it must cease its one-sided efforts aimed at punishing only one side in a civil conflict in which all three sides bear some measure of guilt for the horrible suffering endured by all of Bosnia's citizens.

Michael Pravica, acting president, The Serbian-American Alliance of New England (SANE), Inc. physics department, Harvard University, Cambridge, MA 02138, US

Economics ignored

From Mr Stephen Turk.
Sir, The European Commission's draft conditions for the British Airways/American Airlines alliance ("Brussels sets airline hurdle high", July 28) provide evidence that the Commission is completely out of touch with real economics.

Currently, four airlines operate about six daily flights from Los Angeles to Heathrow. They are frequently sold out, and discounted fares are rare. United recently switched from 767 to 777 aircraft to add capacity. I understand that both BA and Virgin Atlantic are planning to add additional daily 747 flights. I would hope this added capacity would make it easier for those of us who need to travel at short notice to get reservations, and possibly create some downward pressure on fares.

The Commission wants BA and AA to reduce flight frequency by a quarter. Since BA is already using 747s, it cannot increase the size of the aircraft as the Commission official is quoted as suggesting. Thus a reduction in frequency can only exacerbate the present imbalance between supply and demand. Competition is supposed to provide consumers with more choices and lower prices. The Commission's draft conditions would appear to be designed to create the exact opposite.

Stephen Turk, 6367 West 80th Street, Los Angeles, California 90045, US

Pensions transfer

From Mr John Thornber.
Sir, There seems little awareness of one area where the UK chancellor of the exchequer is in pressing need of funds. One section of the community is immune from the £5bn (£8.1bn) taken from the pension funds - all public-sector employees. The cost to the country of index-linked pensions to early retiring teachers, police officers, army personnel etc, and all public-sector employees must be horrendous.

Is the £5bn a straight transfer from private and personal pension funds to pay public-sector pensions?

John Thornber, 11 Spenser Close, Hurstwood, Burnley, Lancs BB10 3LL, UK

Legal right to interest is answer to late payments

From Lord Alexander of Weedon.
Sir, Through NatWest's involvement as the leading UK bank for small and medium sized businesses, I have long been aware of the problems caused by late payments of debts. The government's consultation paper, *Improving the Payment Culture: A statutory right to claim interest on late payment of commercial debt*, which addresses some of the key issues relating to this problem, is a welcome step forward.

I believe a statutory right to interest is the best way to change the existing late payment culture. Too many businesses consider it acceptable, and some even consider it astute practice, not to pay bills on time.

Lack of sanction against conduct of this kind positively encourages such behaviour. Contractual obligations should be complied with. This is basic ethics and fairness but will also increase competitiveness. Businesses will be able to plan cash flow better. Banks will be better able to rely on cash flow projections. Businesses will get their money earlier for re-investment and job creation. These are significant benefits. For these reasons we in NatWest will be responding positively to the consultation paper. I urge other companies to do the same.

Alexander of Weedon, chairman, NatWest Group, 41 Lombury, London EC2P 2BP, UK

NTT saw foreign securities companies as best option

From Mr Goro Yagihashi.
Sir, Regarding your article "NTT issue excludes Japan's brokers" (July 8), I feel certain information should be clarified. The article stated: "NTT's decision, unusual for a Japanese company, was widely seen as a response to allegations of illegal trading activities engulfing the four securities companies." I doubt this is the widely accepted view. Such a claim needs to be substantiated. I would also like to make

the following comments regarding the selection of brokers. In making its selection, as NTT's basic policy, NTT gives due consideration to the companies' strength in the Eurobond market as well as to the initiatives the firms showed in approaching NTT. The final selection is made fairly and objectively, after carefully considering the offers made by both Japanese and foreign securities companies.

With regard to the procurement of funds this time, Morgan Stanley and Merrill Lynch had approached NTT early on advocating the advantages of Euroyen bonds. On the other hand, NTT did not receive any efficient plans from the four leading Japanese securities companies, and, primarily for this reason, the two US companies were chosen. To date, NTT has issued foreign currency denominated bonds up to around 50 times. In most of these cases, foreign

securities companies were asked to lead manage the issues. Therefore, the exclusion of Japanese securities firms was not due to the recent extortion scandals.

Goro Yagihashi, executive manager, public relations department, Nippon Telegraph and Telephone Corporation, 19-2 Nishishinjuku, 3-chome Shinjuku-ku, Tokyo 163-19, Japan

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There is a simple solution to the regulation of financial services on the internet

& Regulation of the internet has moved to the top of the international agenda. All sorts of governmental initiatives are under way on the subject in both the US and Europe.

Most of them focus on criminal matters - particularly the use of the internet to aid terrorism or to spread child pornography. But just as much attention needs to be paid to another area: the provision of financial services over the net. This is likely to be a rapid - and controversial - growth area. The internet is particularly well suited to delivering financial services, mainly banking and personal finance, because they exist in dematerialised form and serve mass markets. Over the next couple of years, thousands of banks, stockbrokers and investment managers are expected to open up web sites and begin soliciting business.

There are obstacles. One of them is that commercial transactions on the internet are still in their infancy, though the association of big banks with electronic commerce could remedy that. So could improvements in encryption technology and other security measures.

The main obstacle, though, is regulation. The question is how to make the internet safe enough for people to conduct their financial affairs, particularly those across borders, where much of the growth is likely to come.

Most industrialised countries already regulate banking and investment services heavily. Their laws are national. The global character of the internet makes a nonsense of such laws.

Similar problems already arise with printed newspapers and magazines which circulate internationally and carry financial advertisements; legal devices have been developed to deal with what is a relatively small problem. The internet adds a new dimension: millions of people could be accessing foreign-based financial services within a year or two; so far, the legal devices are inadequate.

In the UK - a typical case - a particular difficulty arises because of the way the Financial Services Act is framed. This makes it an offence for anyone to issue an investment advertisement that has not been approved by an authorised person.

This can be interpreted to include financial companies outside the UK with publication material that reaches British residents, though the authorities try to distinguish between companies that target the UK market deliberately, and those with advertising that only reaches the UK incidentally.

There is enough legal uncertainty here to raise the possibility that any financial services company anywhere in the world with web pages that can be read by British internet subscribers would have to be licensed by the British authorities. And if that is the case, they would also have to be licensed by the authorities of dozens of other countries with similar legislation. This could produce a regulatory nightmare which would severely damage internet-based trade.

One solution, mooted by the US Securities and Exchange Commission, is to get internet service providers to police financial traffic entering the US over their wires. This in effect means providers have to do the job of the financial regulator - which is hardly satisfactory.

There is a simpler solution. Most financial legislation in this area carries the presumption that a cross-border financial transaction takes place in the regulatory jurisdiction of the consumer. The New York-based mutual fund "moves" to the UK

when it sells a product to someone in London over the internet.

It would be more sensible if this presumption was reversed: that the London investor who bought the US mutual fund was deemed to have travelled to New York and to have entered US jurisdiction.

This would simplify the regulatory problem because suppliers would only have to register in their home jurisdiction. In theory, this is open to the objection that an investor who clicked on a US mutual fund might not be aware he or she had made an electronic journey to foreign parts. In practice, however, that seems unlikely: the people who buy products on the internet usually know perfectly well where their cheap CD came from.

The success of this approach would still require international co-operation among regulators to ensure that financial service providers stated clearly where they were based and displayed the necessary health warnings. The difficulty of achieving this should not be minimised. But financial regulators already have a lot of experience at international co-ordination, particularly on the banking side.

True, there would be a larger place for caveat emptor in this sort of world. But so much information is available on the worldwide web that the internet investor need not be ill-informed.

Any attempt to impose nationally based rules is likely to be self-defeating, either because the laws will be unenforceable, or because they will create new barriers. Enlightened governments should view the internet as an opportunity to simplify regulation rather than increase it.

The author is co-director of the Centre for the Study of Financial Innovation and editor of its new report, *The Internet and Financial Services*

FINANCIAL TIMES

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Eastern floods, western duty

With much of Poland and the Czech Republic still under water, assessment of the exact cost of the damage caused by recent floods is necessarily unclear. What is already certain is that it will dwarf the western aid on offer. This is the greatest natural disaster to hit central Europe in modern times. It demands a commensurate response.

Generosity is needed in the first instance from the European Union. The losses to the Czech and Polish economies could well affect the speed with which they will be able to meet the EU's criteria for accession.

The scale of the disaster is all the greater because so many of the businesses and individuals affected were not insured. Poland's finance minister has declared that if the country's budget deficit is not to increase, other programmes will have to be cut back to pay for reconstruction.

Immediate emergency needs have now largely been met with the help of the European Commission and bilateral aid - even if some of the assistance given directly by individual EU members was not exactly munificent.

The real issue is long-term economic damage. Here, the EU's response so far has been that charity begins at home. It plans generous reconstruction aid to eastern Germany. Much

of this will be paid automatically from the union's structural and regional funds - in addition, of course, to money paid by Bonn.

As far as other parts of central Europe are concerned, the Commission's scope for action is limited. It has acted with commendable speed to allow the Poles and Czechs to re-allocate tens of millions of Ecu from existing EU development programmes and has promised to assist in obtaining soft loans from the European Bank for Reconstruction and Development and other international institutions. But the Commission can do little more, unless the Council of Ministers and the European Parliament give it additional funds.

There is the strongest possible case for the EU to give the Poles and Czechs the sort of help they would receive if they were already members. Rapid decisions are needed. Normally, the council would not meet until early next month. However, member states should be prepared if necessary to convene an emergency meeting in August to assess the likely level of aid required and vote on it.

If the EU is genuinely committed to future enlargement, it needs to show now it understands that its moral responsibility does not stop at the river Oder.

Out of Africa

France is cutting by up to 40 per cent the number of its troops based in French-speaking Africa, in a long overdue indication that it no longer intends to prop up local dictators or play the feudal potentate in its ex-colonies. But fortunately, there is no sign that France is turning its back on Africa. The continent needs both the new backing that France now appears ready to give to human rights and good governance and the aid which Paris has always been prepared to commit to Africa.

The immediate catalyst for change has been the disastrous choices France has made. In recent years, backing the wrong side first in Rwanda and then in Congo (formerly Zaïre), both of them once under Belgian rather than French control.

But these setbacks, plus the arrival in Paris of a Socialist government pledged to a new Africa policy, have provided the chance to update defence accords in six former French colonies. In future, France will station fewer soldiers in Africa, relying on modern communications and transport to reinforce them if need be. This squares both with France's switch to a smaller all-professional army and with the push for Africa to do more of its own peace-keeping.

The ties binding France and Africa have grown less sentimental over the years, to their

mutual benefit. Against African leaders' protests but egged on by the International Monetary Fund and World Bank, France forced through in 1994 a 50 per cent devaluation of the CFA franc by which Paris and 15 African countries are linked. Growth in the CFA zone has since surged. For their part, CFA countries are less ready to be treated by French companies as their private preserve and now actively woo non-French firms.

But there is still enough of France's old love affair with Africa to motivate the French to make a disproportionate effort, both private and public. Not for nothing has "the French doctors" become a generic name for medical aid workers. France has become the world's second largest provider of official development aid, and a tireless preacher for other rich countries to match it. Though much of this is targeted at CFA countries, Paris has also shown itself ready to pay more than its fair share, shouldering a quarter of the cost of the European Union's Lomé aid convention.

Africa, it has been rightly said, has brought out the worst and the best in the French. With the scaling down of their military presence and the upgrading of the importance of democracy in Africa, the continent will hopefully see less of the worst and more of the best.

Mega-watchdog

Effecting a merger of the nine constituent authorities that will make up the successor body to the Securities and Investments Board would be a formidable administrative task in itself. To do it in a way that enhances the efficiency of regulation and supervision is a challenge of an even higher order. How, then, does the blueprint outlined yesterday by Sir Andrew Large, the outgoing chairman of the SIB, measure up?

On the face of it, the document offers as credible an organisational structure for investor protection and systemic stability as the UK government's decision to opt for a single mega-watchdog probably permits. The transition to the new body will be secured by a similar formula to the one whereby the roles of earlier self-regulatory organisations (SROs), such as Lauro and Fimbra, were transferred to the Personal Investment Authority. Staff from the SIB, the Bank of England and the existing SROs will be brought together in advance of the enabling legislation, while the SROs will continue to discharge their current legal responsibilities.

This residual role is essential since the SIB's own disciplinary powers will remain deficient until the financial services reform bill is enacted in 1999 or 2000, at which point the insurance, building society and friendly society watchdogs will be folded into the super-SIB.

The organisational model is based on regulatory functions, while prudential supervision will operate according to the type of business - an appropriate subdivision given that it is businesses, not functions, that become insolvent. In dealing with financial conglomerates the existing system of 'lead' supervisors will be internalised and expanded.

Sound structures cannot, however, guarantee effective regulation and supervision. It is vital that links between the SIB, the Bank and the Treasury are free from institutional jealousies and frictions, especially in relation to the lender-of-last-resort function. The decision here to publish a memorandum of understanding on joint responsibilities should offer useful reassurance to the markets.

There is a need, too, for an organisational culture that will foster the very different skills involved in handling systemic concerns as against consumer protection; and that will ensure proper resolution of conflicts of interest between depositors, investors and policyholders that were previously handled externally by different watchdogs.

Above all, the Treasury must ensure that an agency endowed with so much delegated statutory power has a good board with a tight chain of accountability to parliament. None of this will prevent financial crises and scandals. But it could help minimise their number.

After the bombs

Netanyahu's refusal to engage in the peace process has created a vacuum into which extremists have rushed, says David Gardner

When Islamist suicide bombers struck on Wednesday, killing 13 Israelis in a crowded Jerusalem market, it was almost as if they were acting on cue. US mediators were about to return to the stage after a long absence, bringing new proposals to break the stalemate.

That mission has now been postponed, along with what had, in any case, been the slim possibility of moving the peace process forward.

All the two sides can agree upon is that extremists are hurting the peace process. Earlier this month, Mr Yasser Arafat, the Palestinian leader, had warned that the four-month-old deadlock in negotiations with Israel was providing a platform for militants on both sides. Israeli intelligence chiefs were telling the government of Mr Benjamin Netanyahu, Israel's hardline prime minister, much the same.

At the heart of the problem is Mr Netanyahu's unwillingness to accept the land-for-peace deal agreed upon under the 1993 Oslo accords. This calls for the return of Arab land conquered by Israel in exchange for Arab recognition of Israel's right to exist within secure and defined borders. The Israeli prime minister is equally reluctant to restart the frozen negotiations with Syria and Lebanon which are also part of the peace process.

Mr Netanyahu and his coalition of rightwing nationalists and religious fundamentalists may have given up the dream of enlarging the Jewish state to all Eretz Israel - the Old Testament Land of Israel encompassing the occupied West Bank and even part of Jordan. But they still think security requires a buffer of occupied land between Israel from its Arab neighbours.

Mr Netanyahu has made it clear he would not allow the "final status" negotiations to lead to an independent Palestinian state. These were to cover the least tractable problems of the future of Jewish settlements in the West Bank and occupied Arab east Jerusalem, permanent borders and the right of return of over 4m Palestinian refugees.

The Israeli prime minister has also managed to confine what negotiations there have been with the Palestinians to a reopening of agreements already signed and sealed, but not yet delivered.

Mr Netanyahu's one agreement with Mr Arafat, achieved after four months of cajoling by the Clinton administration, led to Israel's withdrawal from most of the West Bank city of Hebron. This left an enclave of 400 Jewish settlers among 130,000 Palestinians. That withdrawal had already been agreed but not implemented by Labour. Nevertheless, it was hailed as a milestone.

The US, the European Union, most of Israel's Labour-dominated political and academic establishment, and Palestine Liberation Organisation leaders saw three reasons to hope in the Hebron withdrawal: Likud had abandoned the biblical chimera of Eretz Israel; Mr Netanyahu's had recognised that security required co-operation with Mr Arafat; and, whatever it was called, a viable Palestinian entity on the West Bank was inevitable.



Bleak outlook: two Israelis light a memorial candle in the bombed Jerusalem marketplace

The reasoning behind this sanguine interpretation is that there is no peaceful alternative. "Both sides know that neither has enough power to coerce the other into accepting its position," argues Mr Asher Sussner from the Dayan Institute at Tel Aviv university.

In the long run, the peace negotiations will continue, says Mr Abraham Diskin, professor of political science at the Hebrew university in Jerusalem. "A very clear majority of Israelis realise that some sort of compromise must be reached." But is it true that there is no real peaceful alternative?

In the long run, the answer is almost certainly yes. But Mr Netanyahu and his circle of advisers do appear to believe there is another option: to act tough in order to force the Palestinians to lower their demands. The prime minister's consistent analysis has been that his predecessor's willingness to make concessions emboldened Arab leaders who, faced with determined Israeli leadership, would moderate their expectations.

Thus, with the ink barely dry on the Hebron deal, the Israeli government resumed expansion of the settlements. Provocatively, in March it started building the

new Har Homa settlement at Jabal Abu Ghneim in south-east Jerusalem. Har Homa would complete the wall of settlements enclosing the Arab east of the Holy City, and foreclose negotiations on Jerusalem's future.

In the Palestinian view, the Israeli government is trying to impose its alternative solution. This would deny them any part of east Jerusalem as a future capital; it would retain for Israel more than half the West Bank; and, by linking up Jewish settlements and military installations there, it would carve up Palestinian self-administered areas into an unviable collection of cantons.

Frustration has built up throughout the West Bank. Mr Netanyahu has accused Mr Arafat of fomenting street-fighting in towns like Hebron, and there has been some evidence of involvement by Palestinian security forces and activists from the mainstream Fatah movement.

Yet Mr Arafat has devoted most of his energy to trying to bring international pressure on Israel to freeze settlement building and return to the Oslo framework. The veteran PLO leader has no real path forward except through negotiations. But his position is being daily undermined by the failure of the peace

process to deliver what he promised it would - not only an independent state with east Jerusalem as its capital, but the host of overdue interim measures.

As one ominous example, Hamas, the biggest Islamist group challenging Mr Arafat's authority which on Wednesday night claimed responsibility for the market bombings, has fastened onto the prisoners issue. Hamas says it will attack again unless Israel starts releasing detainees by Sunday.

In these circumstances, the Palestinian leader and his increasingly toughish 33,000-strong security forces will find it increasingly hard to control the streets or groups opposed to the Oslo accords, such as Hamas and Islamic Jihad. While Wednesday's bombers have still not been identified, virtually all the "martyrs" these groups have launched against Israel have come from areas under Israeli rather than Palestinian control. The wave of arrests carried out yesterday by Israeli forces concentrated on areas under Israeli jurisdiction.

Israeli-Palestinian intelligence-sharing and security co-operation, one of the few areas in which Oslo had continued to survive the violent jolts in its path,

have broken down under Mr Netanyahu, amid Israeli recriminations that Palestinian crack-downs on terror are a sham. The Israeli leader's spokesman, David Bar-Ilan, said yesterday that Wednesday night's cabinet meeting decided that "Israel will have to go into the areas controlled by the Palestinian Authority and get the terrorists."

Such action could prove the single most damaging consequence of Wednesday's carnage, reviving the spectre of last September's fighting across the West Bank between Israeli troops and Palestinian policemen, following the opening of a tourist tunnel near the Moslem holy sites in Jerusalem.

Col Jibril Rajoub, head of Palestinian preventive security in the West Bank, warned yesterday that his forces would defend themselves if Israel attempted to re-enter the autonomous areas ceded so far under Oslo. Would the Israelis be prepared to go in?

Israeli military commanders concluded last month after war games to test the feasibility of retaking Mr Arafat's scattered fiefdom that the price in Israeli casualties would be very high, reminiscent of losses in the 1982-85 invasion of Lebanon launched by Mr Netanyahu's hawkish infrastructure minister, Ariel Sharon (who was then defence minister).

It would therefore be bloody. But Mr Netanyahu has been weakened by domestic scandals and misfired divide-and-rule tactics aimed at clipping the wings of his cabinet rivals, among them Mr Sharon. He could find the appearance of decisive action difficult to resist.

Mr Arafat, in such circumstances, could be compelled to follow rather than lead the likely resistance of his people, in order to avoid being swept away. "Every punishment against the Palestinian administration strengthens those against the peace process," said Mr Faisal Hussein, the PLO leader in Jerusalem, yesterday.

The pity of it is that the US - which five times this year has voted in the UN Security Council and General Assembly against condemnations of Israeli settlement building and Har Homa - was at last preparing to put pressure on Israel to trade a de facto freeze on settlements in exchange for restored Palestinian security co-operation and revived talks, according to western diplomats and Israeli officials.

For the actors on the stage, the next act looks bleak indeed, especially for the Palestinians. "Mr Arafat is the clear loser from this attack," says Ghassan Khatib, a leading academic at Bir Zeit university in the West Bank. The bombings "will give the Israelis more leverage and a stronger bargaining position against the Palestinian Authority."

Yet even comments like these assume that the US will somehow force a resumption of negotiations. Otherwise, as Karmi Gillon, former head of Shin Bet, Israel's domestic intelligence service, spelled out yesterday, the dangerous vacuum will continue. "If we're speaking of a suspension of the talks for a long period," Mr Gillon told Israeli army radio, "we let terrorism win."

OBSERVER

Franco's flight path

There's no stopping new Brazilian central bank president Gustavo Franco. Only a few short years ago the Harvard-educated economist was teaching down in Rio - now he's one of the country's biggest hitters.

The 40-year-old is already a familiar figure to international investors; recently Franco's been masterminding Brazil's return to world capital markets as the central bank's director of international affairs. His promotion to the top job is partly a prize for persistence.

A few years back Franco was one of the economic gurus who put together plans for a new currency - the Real - launched in 1994. But while former colleagues like Edmar Bacha and Persio Arida fled to the private sector, Franco stayed in Brazil. In the process he struck up a close relationship with President Fernando Henrique Cardoso.

Although he can be scholarly and reflective, Franco's also a pugnacious public performer. In this respect he'll make a welcome change from his central bank predecessor Gustavo Loyola - not a man who relished criticism from either press or politicians. The tough Franco

draws comparisons with Napoleon; together with finance minister Pedro Malan, he'll be a formidable advocate for Brazil's economy.

Premium rate

You'd have thought French insurance giant Axa-UAP would have its hands full dealing with down-to-earth matters like house fires and stolen cars. But no - its sights are set higher than that. The Pope needs cover for this month's official tour of France and Axa-UAP is apparently in top-level talks about underwriting the whole affair.

Both sides of the recently merged company have been involved in this kind of thing before: UAP insured the cars on the pontiff's last visit, while Axa got a special subsidiary providing cover for ordinary men of the cloth. The proposed papal policy would cover the risk of cancellation - just like a rock concert or a sporting spectacular.

Despite talk of good faith on both sides, it's not certain that a deal will be struck. French-based reinsurer Scor last year refused to underwrite the Pope's previous visit; the great man's not in tip-top health these days and his advisers were not keen on providing medical reports. If

the Vatican sticks to that line it should still be able to buy cover - but it'll probably cost the earth.

Big chief

All change at the top of Canada's largest aboriginal group following the election of Phil Fontaine - a former chief of the Sagkeeng - as its new leader.

He takes over as leader of the Assembly of First Nations from controversial hardliner Ovide Mercredi - and promises a new moderate line.

Despite representing more than 1m Canadian Indians, the AFN's not the force it was. Mercredi's critics know where to pin the blame. The former leader's been at loggerheads with the government for years; he suffered a serious blow to his prestige when a former Indian affairs minister flatly refused to deal with him. Mercredi argued that the government's policy of dealing directly with regional chiefs - rather than with himself - was a ploy to divide native peoples.

Fontaine, elected in Vancouver on the fourth ballot by 600 chiefs from around the country, reckons he can restore the AFN to its former stature.

A former senior official in the Department of Indian Affairs, he

says economic issues are the top priority. But there's no doubt that the man from Manitoba faces some immediate testing tasks - like getting the federal government to act on the recommendations on aboriginal peoples made in a recent Royal Commission report.

Can't count

It's not easy being finance minister anywhere in the world, and communist Vietnam - going through an economic sticky patch right now - is no exception. Hanoi has just announced the results of a nationwide poll to choose a new parliament and, as usual, the Communist party won handsomely. Of course no other parties are allowed. Predictably, voter turnout was an implausible 99.49 per cent of the electorate.

But while most successful candidates scooped massive shares of the vote - between 85 and 94 per cent - finance minister Nguyen Sinh Hung lagged behind.

His 59 per cent share would be counted as a triumphant vote of confidence in most western democracies - but looks like a pretty poor show by communist standards. With the country's economy looking shaky, is someone trying to tell him something?

Financial Times

50 years ago

Govt. Concession To Co-ops Sir Walter Womersley, president of the National Chamber of Trade, yesterday criticised the Government proposals in regard to profits tax. He was addressing a protest meeting in London of trade associations called to discuss the Government proposal that Co-operative Societies are to be taxed at 5 per cent, while commercial concerns are to pay 12½ per cent, and said that the Government benefited considerably from contributions from Co-operative funds. "It is nothing more than giving support to a section of traders because that section supports the Government in power."

Less For Swiss Travel Total expenditure for tourist traffic from the United Kingdom to Switzerland envisaged in the Anglo-Swiss financial discussions in February last, has been greater than expected, states the Treasury. Accordingly, the Authorisation Office for travel to Switzerland has now reduced applications submitted for authorisation to a sum considered sufficient to cover reasonable holiday expenses in Switzerland. The daily amount to be granted will be £2.10s and the maximum allowance will not exceed £40 for an adult.

COMPANIES AND FINANCE: EUROPE

Akzo Nobel beats forecasts with F1 459m

By Gordon Cramb
in Amsterdam

Akzo Nobel, the Dutch chemicals group, boosted net profits 25 per cent in the three months to June to reach F1 459m (\$221m), the most it has made in any quarter and well above analysts' forecasts.

Although its shares jumped F18.30, or 6 per cent, to close in Amsterdam at F320.80, the company yesterday would not budge from its cautious previous prediction that full-year

results "will exceed the 1996 figure" of F1 1.32bn.

With first-half earnings of F1 799m, Akzo is already F1 100m ahead of last year. Mr Jean den Hoed, finance director, made clear that the group was not expecting a setback in the current six months from the F1 619m it made last time. "It too will be higher," he said.

This implies an increase for the year of at least 8 per cent to F1 1.42bn, but analysts are expecting more. "I have upgraded my forecast to F1 1.55bn, adding F1 100m

from what I had before," said Mr Peter Blair of Salomon Brothers, in London. "The second quarter showed a good acceleration compared with the first."

The company said its divisions were performing well, except for fibres, where it is examining additional restructuring measures. In spite of successive rounds of rationalisation among the fibre units over the past five years, "operating income still totals a scant 2 per cent of sales. This is not even sufficient to compensate for the

financing charges," Mr den Hoed said.

He blamed the problem on world overcapacity in industrial and textile fibres, and noted that Akzo had in the past closed operations it was unable to sell.

Fibres brought in just F1 20m of the group's F1 624m operating profits in the second quarter, although they accounted for F1 907m of the total F1 619m sales. Those overall revenues were up 10 per cent as favourable currency shifts more than offset the effect of divestments and

a dip in selling prices.

Coatings, the largest division, was also the biggest contributor to the earnings advance, providing operating income up 39 per cent at F1 269m. Higher volumes were sold, and margins recovered as well. Mr den Hoed said the units were much better placed than before to compete in markets such as the UK, where Akzo had been in fierce competition with ICI's paints division.

Chemicals produced 23 per cent growth to F1 172m as

the polymer business picked up, volumes generally grew, and investment in catalysts started to pay off. Competition hampered its salt business in Europe - the US arm was sold in April to Cargill, the agribusiness group.

Pharmaceuticals, where operating profits were ahead nearly one-sixth at F1 233m, benefited from demand for new products such as Remeron, an anti-depression agent. Sales of its low-dose oral contraceptive began to recover as it gained ground in new markets.

Daimler-Benz reports sharp rise midway

By Haig Simonian,
Motor Industry
Correspondent

Daimler-Benz, the leading German industrial group, yesterday unveiled soaring first-half profits on the back of buoyant demand, greater efficiency and favourable exchange rates.

Mr Jürgen Schrempf, chairman, forecast a bumper year, with most divisions set to meet his target for a 12 per cent return on capital employed by 1999. "We are on track and it looks very achievable," he said.

Operating profits, swollen by a DM200m gain from disposals, rose from DM827m to DM1,858m (\$1bn), net earnings climbed 27 per cent to DM922m and a 14 per cent rise in sales to DM55,900m.

Mr Schrempf said operating earnings in the second half "will be at least as good as the first half, most probably better". That excluded the substantial one-off gain

from selling Daimler-Benz's stake in Cap Gemini, the French information technology company.

Daimler-Benz shares closed down DM7.15 at DM152.85 on profit-taking yesterday. Some analysts had predicted operating profits of up to DM2bn, but Mr Schrempf dismissed that figure as "crazy" and noted Daimler-Benz's shares had doubled in the past year.

He heralded a period of measured expansion now restructuring was almost complete. Small acquisitions would boost the debt information technology services division after the sale of the Cap Gemini stake. Talks were also under way on buying Siemens' German defence electronics arm.

Mr Schrempf said Daimler-Benz planned to lift sales in Asia from 8 per cent of turnover to 25 per cent "as a medium-term target". The vehicles division, notably light trucks, would spear-



Jürgen Schrempf: poised to achieve a 12 per cent return on capital employed by 1999

head the drive. A decision on raising Daimler-Benz's stake in Ssangyong Motors, of South Korea, should be reached by the end of the year. The company was considering other independent or joint ventures in Asia.

Almost all divisions performed strongly, although passenger cars were restrained by launch costs for an unprecedented number of new models. Operating profits fell slightly, in spite of a 5.6 per cent rise in

sales to a record 336,000 units.

Mr Schrempf said commercial vehicles were nearing break-even, and might even make a small profit this year. The improvement had been concentrated in the chronically loss-making European trucks business, where the new products and efficiency improvements in Germany had helped.

Cost-cutting had also contributed to a marked improvement at the Dasa

aerospace subsidiary, which moved from a loss of DM677m to profits of DM74m. Turnover surged by 26 per cent to DM6,740m, largely on a sharp upturn at the European Airbus consortium, which accounts for 40 per cent of sales.

Mr Schrempf said plans to turn Airbus into a commercial company were on track, in spite of apparent misgivings in France.

Lex, Page 12

Market welcomes Olivetti figures

By Paul Betts in Milan

Olivetti shares yesterday continued their recovery after the struggling Italian information technology group reported preliminary first-half figures in line with market expectations.

The ordinary shares, which had fallen nearly 20 per cent since the beginning of July, closed 7.45 per cent higher yesterday, at L677.8, after climbing nearly 10 per cent the day before.

The market appeared to be relieved by the company's announcement yesterday that its financial situation remained under control and by the continued strong growth of its Omnitel mobile phone interests.

Although the group gave no indications of first-half earnings, which will be released in September, it said its net financial requirement had fallen from L2,700bn at the end of March to L2,500bn (\$1.39bn) at the end of June.

The financial requirement for the first half of 1997 was L300bn, sharply lower than the L634bn in the first half of 1996.

First-half consolidated revenues, excluding Omnitel, fell 10.4 per cent to L3,100bn. The company said this was an improvement on the previous year, when first-half revenues declined 20 per cent on the first half of 1995.

Olivetti also confirmed ongoing asset disposals and said that arrangements had been completed for the sale of companies grouped under Olivetti Telemidia, its multimedia umbrella company.

Omnitel, in which Olivetti holds a 35.5 per cent controlling stake, narrowed its first-half net loss from L259bn to L172bn. Revenues at Omnitel, Italy's second cellular phone operator, rose 178 per cent to L680bn in the first half, with 1.25m subscribers at the end of June.

Omnitel also said it was on course to achieve its target of breaking even next year.

Through restructuring and disposals, Olivetti also aims to reduce group losses this year from the L915bn deficit recorded in 1996.

However, analysts remain cautious over the group's longer-term prospects, as the recent sharp swings in Olivetti's share price indicate.

The market is also waiting to see if the company can attract a new group of stable shareholders to support its development following the decision of Mr Carlo De Benedetti, the former Olivetti chief executive, to withdraw from the company.

KNP near paper deal

By Gordon Cramb

KNP BT, the Dutch packaging and distribution group, said yesterday it expected soon to resolve its 10-month effort to find a partner for its paper-making division, the original core of the company.

It also announced a 67 per cent jump in second-quarter net profits to F185m (\$41m), benefiting from strong growth in volume sales across most of its businesses. Revenues were up 15 per cent to F13.6bn.

Operating income rose 41 per cent to F1 650m, but KNP Leykam, the paper side, contributed only F1 14m.

Although the KNP Leykam figure represented a

turnaround from a loss of F17m a year earlier, it came on sales ahead 7 per cent at F1 562m. "There are good volumes, but margins are at a low level," said Mr Rob Bonnier, a KNP BT director. The company is increasing prices 10 per cent next month.

Last September the group disclosed it was ending new investment in Leykam and wished to sell a stake in it, although it backed away from an initial implication that it might quit the business entirely. Yesterday Mr Bonnier said only that it was in discussions with a number of parties, adding: "We trust those will not last terribly much longer."

He was optimistic for the remainder of the group, projecting a "material improve-

ment" in full-year results from the F1 231m net profits posted for 1996. First-half earnings were 36 per cent higher at F1 137m, but the fourth quarter is the most important for its main product lines.

Operating profits from packaging in April-June climbed 9 per cent to F1 76m as demand raised prices for corrugated paper and solid board.

The distribution arm, the largest part of the group, lifted earnings 21 per cent to F1 65m.

Paper merchandising and office products performed well, but graphic and information systems were pushed lower by competition.

Solvay chooses outsider

By Neil Buckley in Brussels

Solvay, the Belgian chemicals group, yesterday named the first chairman of its executive committee from outside the founding family in its 135-year history, as it announced flat first-half results.

Baron Daniel Janssen, 61, current chairman of the executive committee and a descendant of the founding Solvay family, announced that he would next June succeed Mr Yves Boël, who will retire aged 70, as chairman of the board of directors.

Baron Janssen will be succeeded by Mr Alois Michiel- sen, 55, as chairman of the executive committee -

broadly equivalent to chief executive.

The appointment of a non-family member to the position marks an important shift for a company long dominated by the founding family, which still controls about 29 per cent.

Mr Michielssen, vice-chairman of the executive committee and supervisor of general management of Solvay's four business sectors, has been with the company 28 years.

Solvay's first-half net profits, after exceptional items, increased 2 per cent from BF80m to BF82.1bn (\$160m). Stripping out a BF100m exceptional gain last time, net profits rose 3 per cent.

Earnings before interest and tax fell 4 per cent from BF11bn to BF10.6bn -

although that partly reflected the sale of the group's animal health division, which contributed profits of BF22bn to first-half results last year. Total sales increased from BF142.2bn to BF153.6bn in spite of the divestment, boosted by the strong dollar.

Net profits were flattened by a fall in interest charges from BF1.7bn to BF1.2bn.

Mr Janssen said an improvement in plastics margins - after a poor result last year - had been offset by "quite dramatic" price falls for caustic soda and hydrogen peroxide.

Petrofina up 61% in half

By Robert Corzine

Petrofina, the Belgian oil and gas group, yesterday reported a 61 per cent surge in first-half net profits to BF10.8bn (\$225m), with improved performances from its production and refining arms and stable earnings from chemicals.

The company, which is set for a full listing on the New York Stock Exchange on September 3, reported sales and operating revenues up 22 per cent to BF348.6bn, with operating profits of BF74bn against BF71.6bn.

The upstream sector benefited from higher volumes and prices, as well as the appreciation of the US dollar. Oil output was 26.3m barrels against 25m barrels last time. Natural gas output also rose.

Upstream operating profits totalled BF13bn, compared

with BF9.8bn last time.

Mr Jose Rebelo, head of exploration and development, said Petrofina was on course to reduce its finding and development costs. New projects have these costs at less than \$4 a barrel, he said, compared with an average of \$4.81.

Overall output is expected to rise steadily over the next few years, with the US and UK accounting for much of the early growth in volumes. The downstream sector was helped by improved refining margins, which rose 50 cents a barrel in Europe and 70 cents in the US.

Operating profits from refining, marketing and transport were BF5.2bn, a sharp improvement on last year's BF1.3bn. Throughout was a record 683,000 barrels a day.

An agreement announced yesterday to supply Amoco

with xylene from Petrofina's

Antwerp refinery from 2000 will allow the company to reduce the amount of aromatics in the gasoline produced at the plant, thus helping it to meet expected tougher fuel standards in Europe. The shift in production at Antwerp will also result in lower output of gasoline, which is in surplus in Europe.

Operating profits from chemicals edged up from BF5.3bn to BF5.7bn. Higher prices and margins for monomers in Europe were largely offset by deteriorating prices and margins for styrenes in the US.

Petrofina said it was continuing to negotiate a buy-out of minority shareholders in Fina Inc, the US subsidiary, before the New York listing. However, it was "not prepared to pay any price" for the 14 per cent stake.

EUROPEAN NEWS DIGEST

Hypobank backs Vereinsbank bid

Bayerische Hypothek- und Wechsel-Bank yesterday urged shareholders to accept the DM99m (\$4.88m) share exchange offer from Bayerische Vereinsbank - the first step in the merger to create Germany's second-largest bank. Since the offer was announced last month, Hypo-Bank's shares have gained 32 per cent, closing unchanged yesterday at DM77.30. This reflects the premium offered by Vereinsbank which will swap part of its holding in Allianz, the insurance group, on the basis of one Allianz share for six of Hypo-Bank.

Vereinsbank is seeking up to 45 per cent of Hypo-Bank's shares. If it does not obtain 40 per cent, the merger will fail. Vereinsbank owns 10 per cent of Allianz but is using only 6.4 per cent for the deal, which will be free of capital gains tax. The merged bank, Bayerische Hypo- und Vereinsbank, a Vereinsbank director, said institutions had shown great interest in the offer, which will run from August 4 to September 10. It will exchange 19.3m shares in Allianz, whose shares closed yesterday at DM474.70, down DM5.80. *Andrew Fisher, Frankfurt*

COMPUTERS

Bull back in the black

Bull, the French computer group, last night reported its first first-half net profit for nine years. The company, which this year completed the latest stage in its privatisation, unveiled net earnings of FF64m (\$10.33m), against losses of FF612m in 1996. The turnaround was achieved on sales up from FF10.85bn to FF11.34bn. Net debt was trimmed to FF2.02bn at June 30, 1997, from FF2.86bn a year earlier. The company said it was expecting a "substantial increase" in full-year net profits over the FF376m achieved in 1996. After accumulated losses of FF22bn between 1989 and 1994, Bull has been profitable for the past two years. *David Owen, Paris*

INVESTMENT BANKING

Lufthansa sale leaders named

Dresdner Kleinwort Benson, the investment banking arm of Dresdner Bank, will be joined by SBC Warburg as global co-ordinator of the forthcoming DM50bn (\$2.72bn) sale of the remaining government-owned shares in Lufthansa, the German airline. Also in the consortium are Deutsche Morgan Grenfell, part of Deutsche Bank, as senior co-lead manager, and DG Bank and Merrill Lynch as co-lead managers. The transport ministry said, Dresden confirmed on Tuesday it would play the main role in the sale of the remaining 37 per cent of Lufthansa in state ownership, edging out Deutsche Bank.

The ministry said at least 50 per cent of Lufthansa shares would have to be with German investors to meet air traffic agreements with other countries. This means most of the government stake will be placed with domestic investors. *Andrew Fisher*

ITALIAN TEXTILES

Marzotto advances

Marzotto, the Italian textiles and clothing group, yesterday reported a 55 per cent increase in first-half net profits and a 43.5 per cent rise in group operating income. Net profits in the first half rose to L23bn (\$12.8m) from L14.8bn in the same period last year, while group operating income increased to L31bn from L19.2bn. The company said the growth reflected the improved performance of its Lufthansa subsidiary as well as the results of its Lufthansa and Canapificio Nazionale subsidiary, and of the wholly-owned activities of the Marzotto SpA parent company in the clothing sector. Net consolidated sales rose 6.8 per cent to L1,170bn in the period with exports accounting for 71 per cent of the total compared with 68 per cent in the first half of 1996. *Paul Betts, Milan*

HUNGARIAN PHARMACEUTICALS

Gedeon Richter ahead 13%

Shares in Hungarian pharmaceuticals company Gedeon Richter rose F1260 to F191.60 in Budapest yesterday after it unveiled first-half pre-tax profits of \$90.4m, up 13 per cent on 1996. Total first-half sales were \$140.5m, 11.8 per cent up in dollar terms. Sales were underpinned by exports worth \$88m, a 17.5 per cent rise on last time. The results were much in line with predictions, analysts said, with the company particularly benefiting from the strength of the dollar, the currency of most exports.

Good results from TVB, a Hungarian chemicals company, also helped buoy the Budapest Stock Exchange to yet another record, with the BUX index closing at 7,591. TVB saw first-half profits of \$9.7bn (\$49m), up 13 per cent from F16.3bn in the first half last year, on sales of F14.7bn, up 23 per cent. *Kester Eddy, Budapest*

PVC

EVC cautions despite recovery

EVC, Europe's biggest PVC maker, yesterday announced a return to first-half profit from a loss a year ago, but cautioned on the outlook for the rest of the year. The company reported first-half net profit of F1 17m (\$3.2m) compared with a net loss of F1 7.8m in the year-earlier period. Sales were ahead 17 per cent at F1 1.2bn. EVC said there were tentative signs of a recovery in west European trading conditions, in spite of the usual seasonal influences. American and Asian markets had shown a weaker seasonal demand, the group said. *Reuters, Amsterdam*

Comments and press releases about international companies coverage can be sent by e-mail to international.companies@ft.com

NOTICE OF FULL REDEMPTION

To the Holders of
ATM (CIRCAO) HOLDINGS N.V.
(formerly known as Bank of
Tokyo (Circaco) Holding N.V.)
U.S.\$200,000,000

Fixed Floating Rate Subordinated
Guaranteed Bonds Due 2002

NOTICE IS HEREBY GIVEN to the holders of the U.S.\$200,000,000 Fixed Floating Rate Subordinated Guaranteed Bonds due 2002 (the "Bonds") of ATM (Circaco) Holdings N.V. (formerly known as Bank of Tokyo (Circaco) Holding N.V.), a Netherlands Antilles corporation established in Curaçao (the "Company"), that pursuant to Condition (b) of the Terms and Conditions of the Bonds, the Company has elected to redeem, on the next interest payment date falling on September 3, 1997, all of the Bonds then outstanding at the principal amount thereof.

Payment of the principal amount of each of the Bonds will be made on or after September 3, 1997 upon presentation and surrender of the Bonds, together with all coupons outstanding thereon, to the Company at its principal office in the City of Tokyo-Mitsubishi Trust Company, 2 Rector Street, New York, New York 10006 or at the principal office in the city indicated of any of the following Paying Agents:

Bank of Tokyo-Mitsubishi (Netherlands) Ltd., Zurich
The Bank of Tokyo-Mitsubishi Ltd., Brussels
Bank of Tokyo-Mitsubishi (Luxembourg) S.A., Luxembourg
The Bank of Tokyo-Mitsubishi Ltd., London

The coupons for interest payable on September 3, 1997 should be detached and presented for payment in the usual manner.

ON AND AFTER SEPTEMBER 3, 1997 INTEREST ON THE BONDS WILL CEASE TO ACCRUE.

ATM (Circaco) Holdings N.V.
BY: BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as Trustee

Dated: August 1, 1997

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Temple Court Mortgages (No. 1) PLC
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Mortgage Backed Floating Rate Notes 2029

The rate of interest for the period 31 July 1997 to 31 October 1997 has been fixed at 7.375 per cent per annum. Coupon No. 31 will therefore be payable on 31 October 1997 at £185.89 per coupon.

The First National Bank of Chicago
Agent Bank

Republic of Croatia
Floating Rate Amortising Bonds (the "Bonds")
Series B Due 31 July 2006

Notice is hereby given that the Rate of Interest has been fixed at 6.625% and that the interest payable on the relevant Interest Payment Date January 30, 1998 against Coupon No. 3 will be US\$30.64 in respect of US\$1,000 nominal of the Notes.

July 31, 1997 London
by Citibank N.A. Corporate Agency and Trust Agent Bank CITIBANK

In the High Court of Justice
Chancery Division
Company Court

IN THE MATTER OF
CHARTER CENTRAL FINANCE
LIMITED

and
IN THE MATTER OF
THE COMPANIES ACT 1985

ADVERTISEMENT OF
REGISTRATION OF ORDER
AND MINUTE

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 23 July 1997, confirming the reduction of the capital of the above named Company from £245,000,000 to £100,000,000 (the "Order") and the reduction of the capital of the above named Company from £245,000,000 to £100,000,000 (the "Reduction") is now being registered by the Registrar of Companies on 25 July 1997.

Dated this 26th day of July 1997
Brett & How of 20 Black Prince Lane, London EC4V 6DF
Solicitors for the above named Company

Notice to the Holders of
US\$150,000,000 Perpetual Subordinated
Guaranteed Floating Rate Notes
(the "Notes")

of
Fuji Bank International Finance N.V. (the "Issuer")

Guaranteed by a subordinated bank by The Fuji Bank, Limited

NOTICE IS HEREBY GIVEN THAT, in accordance with Condition 5(b) of the Notes, the Issuer has elected to redeem all of the outstanding Notes at their principal amount on the next Interest Payment Date, 10th September, 1997. Payments of principal and interest in respect of the Definitive Notes will be made at any specified office of any of the Paying Agents listed below (regardless of presentation and surrender of the Definitive Notes and Coupons. Such payments will be made by US dollar cheque drawn on, or by transfer to a US dollar account maintained by the payee with a bank in New York City, subject to all terms and conditions of the Notes and subject to the Issuer's obligation to make payments in the place of payment but without prejudice to the provisions of Condition 6 of the Notes. All unclaimed Coupons appearing on the Definitive Notes, whether or not attached thereto, shall become void and no payment will be made in respect of such Coupons. Claims for payment of principal will become void ten years, and claims for payment of interest will become void five years, after the Redemption Date (as defined in Condition 6 of the Notes).

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COMPANIES AND FINANCE: THE AMERICAS

Sun Micro in information appliances buy

By Louise Kehoe in San Francisco

Sun Microsystems, a leader in the field of network computing, plans to enter the emerging market for information appliances through the acquisition of Diba, a Silicon Valley start-up company.

Diba is a pioneer in the development of products that bring Internet access capabilities to televisions and telephones. These so-called information appliances are the focus of mounting development activity throughout the US high-tech industry.

Sun's acquisition follows Microsoft's purchase of WebTV, which similarly has developed an Internet access link for TV sets. Earlier this week National Semiconductor, a leading chip maker, also announced its intention to supply chips for information appliances through the acquisition of Cyrix, a microprocessor developer.

Sun's move also signals the beginning of a battle over software standards for this new class of computing products. While Sun plans to use its Java software, Microsoft has adapted its Windows

PC operating system to run on information appliances. Oracle, the leading database software company, has also developed software for low-cost Internet terminals.

The combination of Diba's expertise and Sun's technologies "could well give Sun a significant advantage in driving the information appliance market", said Mr Andrew Allison, editor and publisher of Inside the New Computer Industry, an industry newsletter.

"Information appliances represent an enormous opportunity for manufacturers who can deliver the

right products at the right time," said Mr Scott McNeely, Sun chairman and chief executive. Sun would combine its Java software and Java-enabled microprocessors with Diba's work to create new product designs that would be licensed to other manufacturers, he said.

Diba would become Sun's new consumer technologies group and work with consumer electronics companies and manufacturers to provide technologies for building information appliances, Sun said.

For Diba, founded two years ago

by a former Oracle executive, the acquisition represented the opportunity "to democratise information access by making it available to the full spectrum of consumers", said Mr Farzad Dibachi, president and chief executive.

"Together, Sun and Diba can work on closing the information gap between the technically-elite and the rest of society," he added. Sun had the resources and technologies needed to accelerate the process of getting information appliances into consumers' hands, he said.

AMERICAS NEWS DIGEST

Jobs rejects Apple posts

Mr Steve Jobs, co-founder of Apple Computer, said he had rejected invitations from Apple's board of directors to become chairman or chief executive of the struggling personal computer maker. In a message to employees at Pixar, the film animation production company where Mr Jobs is chief executive, he said he had been asked first to become chief executive of Apple, but had declined. "Then they asked me to be the chairman. Again I declined. ... I have no plans to leave Pixar."

While Mr Jobs' statement was aimed at quelling concerns among Pixar employees, it highlighted the uncertainties surrounding Apple's future. Apple's shares were down slightly in mid-session yesterday, at \$17.8.

Louise Kehoe, San Francisco

HEAVY OIL EXTRACTION

Suncor plans C\$2.2bn upgrade

Suncor Energy, Canada's fourth largest producer of oil and gas liquids, is to invest C\$2.2bn (US\$1.59bn) to double its existing heavy oil extraction and upgrading facilities, and increase production by nearly 2½ times current levels. The C\$2.2bn is in addition to the C\$800m projects under way at Suncor's oil sands facility in Fort McMurray, Alberta. With the latest investment, Suncor expects to increase its oil sands production from the current 85,000 b/d to 210,000 b/d by 2002.

The first phase of the latest investment will be a C\$190m upgrade of the oil sands plant that will gradually increase production to an estimated 130,000 b/d by 2001. Regulatory review is expected to begin this summer and construction is scheduled to begin in 1999.

Scott Morrison, Vancouver

OIL

PDVSA in technology pact

PDVSA, the Venezuelan state oil company is taking a new oil refining technology to the international market through a strategic alliance with Foster Wheeler and UOP, the US technology and engineering concerns. Intevep, the Caracas-based research division of PDVSA, was yesterday scheduled to sign an agreement with the two companies to commercialise its Aquaconversion technology worldwide.

"It's a breakthrough in refining technology," said Mr Luis Padron, president of Intevep. "We have successfully tested its commercial application at our refinery in Curaçao. It is a low cost, non-toxic technology."

Aquaconversion permits upgrading of heavy crude oils and residuals using a catalyst and steam. It has two commercial applications. One is to revamp the thermal cracking units of oil refineries to produce higher distillate yields. The other is to process heavy crude oil into lighter oil "on site", at the oil field. This would allow the oil to be transported by a conventional oil pipeline without heating it or adding diluents, which are costly methods currently employed.

Raymond Colitt, Caracas

AIR CANADA

Boeing and Airbus vie for order

Boeing and Airbus are competing for an Air Canada order for at least nine aircraft worth an estimated C\$1.35bn (US\$978m). Air Canada has refused to comment on its plans, but industry analysts expect the airline to make an announcement as early as next week about plans to replace ageing Boeing 747s.

Mr Errol Weaver, of Boeing Canada, confirmed that Air Canada was looking at the new Boeing 777 and the competing Airbus A340. Both aircraft cost about C\$150m each, but analysts say the makers are likely to offer steep discounts in order to win the bid.

Scott Morrison

CANADIAN AIRLINES

Lower costs bring return to black

Canadian Airlines has posted a second-quarter profit of C\$2.6m (US\$1.88m), the company's first quarterly profit since 1990, due to lower operating costs associated with a restructuring plan. The company reported a loss of C\$1.7m in the second quarter last year. Revenue for the period declined to C\$770.8m, from C\$786.9m last time, but operating costs fell from C\$788.6m to C\$745.2m. The company also reported a one-time gain of C\$1.2m from the sale of equipment. Canadian cut its least profitable routes and has redeployed its fleet to focus on linking destinations in Asia and the US via the airline's new Vancouver hub.

Scott Morrison

US media agency buys rival for \$440m

By Tracy Corrigan in New York

The largest advertising agency in the US yesterday announced plans to acquire a smaller rival in a deal that will create the world's sixth-largest agency, with projected revenues of \$1.2bn.

True North Communications, the holding company for Foote, Cone & Belding Worldwide, will acquire Botzell, Jacobs, Kenyon and Eckhardt, which owns Botzell Worldwide, the country's 11th-largest agency, in a deal valued at \$440m.

True North's business has been dominated by Foote, Cone & Belding Worldwide, although it owns a number of other smaller advertising and media companies as well as a 26.5 per cent stake in Publicis Communications in Europe.

After the deal True North will be closer to the increasingly popular multi-agency model, separate agencies run under the umbrella of a holding company.

The logic of such groupings is that client companies do not like to retain the same agency as their competitors. By maintaining separate agencies, the holding company can earn revenues from several large companies in the same industry.

"We now have multiple global advertising brands," said Mr Bruce Mason, chief executive of True North.

The acquisition nearly doubles the size of True North, which will issue 0.51 shares for each share of BJKE.

The deal is expected to enhance earnings in 1998, the first full year of the new grouping.

It also strengthens True North's position in interactive digital technology, which offers services such as the creation of home pages for companies on the Internet or the setting up of company-wide intranets to facilitate internal communications.

BJKE's Pope Tyson and True North's TN Technologies are both leaders in this area.

Sales growth helps P&G to 13% advance

By John Authers in New York

Procter & Gamble, the world's largest consumer goods company, yesterday announced a net increase of 13 per cent in net earnings per share for the second quarter of the year, as it continued to ride the healthy US economy and increase sales volumes.

Earnings per share were 57 cents, up 10 cents from the same period of 1996, and 2 cents ahead of the consensus of analysts' expectations.

P&G also cheered the market by confirming it would repurchase stock worth \$1bn over the next 12 months - a move which was initially warmly greeted on Wall Street.

But after gaining more

than 1 per cent in early trading, the shares swiftly subsided and by early afternoon were down ¾ for the day at \$52.94.

Net earnings for the quarter were \$611m, up 10 per cent on a year earlier.

Precise sales figure for the quarter were not available, although several analysts believed that P&G fared well. Mr John Pepper, chief executive, pointed in particular to unit volume growth, and to the company's "very strong" increase in cash flow.

However, the strong dollar hit profits in some regions, particularly Asia. While worldwide sales volume for the year to end-June rose 3 per cent, net sales were only marginally ahead, up \$500m at \$35.8bn.

North America was the strongest region, with net sales for the year of \$17.7bn, a rise of 2 per cent on unit volume growth of 4 per cent.

A decision to lower prices on its laundry detergents, which increased in volume, and a fall in paper prices lay behind the relatively small increase in net sales.

Asia provided the group's weakest results, with a 7 per cent decline in unit volume for the year, and a fall in sales of 8 per cent, to \$3.57bn. Foreign exchange fluctuations were chiefly responsible. P&G said business in Japan had been particularly weak, although offset by double-digit unit-volume growth in the Philippines and Indonesia.

The company's move to "efficient consumer



John Pepper: pointed to "very strong" increase in cash flow

response" - a campaign to reward trade customers for efficiency and eliminate unnecessary promotional spending - also weighed on volumes.

Fair weather helps US insurers improve

By John Authers

US general insurers are enjoying a relatively strong year, to judge from their financial results announced in the past week. But fair weather conditions are chiefly responsible, rather than an improvement in the market, which remains fragmented.

There are signs that growth in new premiums is beginning to improve, although it still seems certain to remain below 10 per cent for the year, for the 10th year in succession, as competition continues to keep prices down.

Several companies contin-

ued their attempt to expand into overseas markets, particularly south-east Asia where demand for insurance is growing and competition far less intense. But the strength of the dollar affected their results.

Insurers continue to be helped by the strong equity markets, which have boosted investment income.

Chubb Insurance, of New Jersey, reported a dramatic reduction in catastrophe losses for the first six months, losing only \$28.3m, due to extreme weather events, against \$83.9m in the first half last year.

Core US premiums grew

by an underlying 8.3 per cent for the first half, while international premiums rose 12.7 per cent. The company's overall income from continuing operations was up 14.5 per cent for the quarter to \$188.7m, and 24.7 per cent for the first six months to \$30.8m.

Mr Dean O'Hare, chief executive, warned of "exceedingly poor market conditions" and "prolonged pricing weakness".

AIG, the largest US insurer, also reported healthy results, with net income up 14.1 per cent for the quarter to \$626.5m. Profits for the first six months rose 14.4 per cent.

The strength of the dollar severely restricted premium growth for the company, which has emphasised international expansion in recent years. While premiums for general insurance outside the US rose 5.2 per cent in local currency terms for the second quarter, this translated into a fall of 1.4 per cent in dollar terms. As a result, overall premium growth, including the US, was only 5.3 per cent in dollar terms.

St Paul Companies raised net income for the second quarter to \$230.5m, from \$130.1m last time, although most of this advance was attributable to a sharp rise

in realised investment gains, which grew from \$31.1m to \$109.7m. Taking these into account, operating income was ahead 22 per cent.

Cigna, which earlier this week announced the sale of its life and annuity business to Lincoln National, announced an increase in its operating income (excluding investment gains) from \$252m to \$270m.

In its property and casualty division, total catastrophe losses, after tax, were \$6m for the first six months, less than half the \$20m losses suffered in the first half of 1996.

European shake-out, Page 17

Citicorp in talks on CableVision stake

By Andrea Campbell in Buenos Aires

Citicorp Equity Investment, the Argentine private equity branch of Citibank, is negotiating to acquire a majority stake in the country's third largest cable programmer, CableVision.

Citicorp is also understood to be seeking a 40 per cent share of one of Argentina's media dynasties, Grupo Fed-

eral de Comunicaciones.

In a note to the Buenos Aires stock exchange this week, Citicorp announced a \$53m advance payment for 64.5 per cent of CableVision and an \$11m advance for 33.4 per cent of the country's largest sports network, Torneos y Competencias.

According to reports by the Argentine newspaper El Cronista, Citicorp would buy a 35.5 per cent share of

CableVision from current

owner, US cable group TCI, and an additional 39 per cent from businessman Mr Eduardo Eurnekian for an estimated \$600m.

Officials close to the negotiations said Citicorp was also in talks to buy a 40 per cent stake in the television, print and radio empire owned by Grupo Federal de Comunicaciones for \$300m - although they denied local

reports that a deal had already been struck.

Citicorp already jointly controls Telefonica Argentina, one of the country's two telephone operators.

With deregulation of the telecoms sector scheduled for 2000, it wants to offer clients integrated packages to include not only telephone services but cable, Internet and data transmission.

Citicorp has been involved in acquisitions and sales of \$1.5bn - representing nearly half its assets - in the past year in order to focus on the telecoms sector.

It has sold its pulp and paper and gas interests and is expected to sell another \$100m in gas assets in the coming month, said Mr Andres Pichon, head of research at Salomon Brothers Argentina.

This announcement appears as a matter of record only

A wholly-owned subsidiary of

Horizon Energy Development, Inc.
A Subsidiary of National Fuel Gas Company, Inc.

has acquired a strategic stake in

Severočeské Teplárny Most, a.s.

ABN AMRO Bank (Czech Republic) acted as Advisor to the Acquirer

April 1997

ENERGY INTERNATIONAL N.V.
(Incorporated with Limited Liability in the Netherlands Antilles)

Shareholders in the Fund are advised that payment of a dividend of US\$1.20 per share for the year ended 31st March 1997 has been approved at the Annual General Meeting held on 31st July 1997.

Coupon Number 28 on bearer share certificates will be paid on presentation at the offices of the Paying Agents on and after 5th August 1997. Cheques will be posted to holders of registered shares on that date.

Copies of the Report and Financial Statements of the Fund for the year ended 31st March 1997 are available at the registered office of the Fund and at the offices of the Paying Agents.

By order of the Board of Management
Curacao, 1st August 1997

BONGRAIN S.A.
Net sales for the first half year 1997

BONGRAIN generated consolidated sales of FRF 5.3 bn during the first 6 months of 1997. The increase is 53% in comparison with the same period of 1996.

Measured on a comparable consolidation structure and with constant exchange rates, the rise is 2.3%.

INDOSUEZ HIGH YIELD BOND FUND
Société d'Investissement à Capital Variable
Registered Office 39, Allée Scheffer
L-2520 Luxembourg
RC Luxembourg B: 43.962

NOTICE TO THE SHAREHOLDERS

This is to inform the shareholders of the INDOSUEZ HIGH YIELD BOND FUND that the Board of Directors' Meeting held on July 17, 1997 decided to pay a dividend of USD 4.50 per share to the holders of Distribution Shares.

The shares will go ex-dividend on August 22, 1997 and the payment of the dividend will be carried out on August 29, 1997.

The Board of Directors.

Republic of Moldova

Privatisation of Public Telecommunications Network

The Republic of Moldova, pursuant to the Law on the State Privatisation Programme for 1995 - 1996 and Government Resolution 628 on the Reorganisation and Privatisation of Moldtelecom, invites potential investors to take part in an open international tender to acquire a significant minority shareholding through a capital contribution to the Moldovan Telecommunications Company (Moldtelecom) and the purchase of government shares. Moldtelecom, as operator of the Republic of Moldova's public telecommunications network, will have an exclusive authorisation until 2003 on international and domestic long distance and local basic telecommunication services carried out on the public network.

The Information Memorandum is available, at a cost of US\$1,000 payable to the Ministry of Communications and Informatics from:

Mr Iurie Bors
Office 334/341
Ministry of Communications and Informatics
134 Stefan cel Mare Ave, MD 2012, Chisinau, Republic of Moldova
Tel: 373 2 54 62 43 Fax: 373 2 54 62 29

Payment for the Information Memorandum should be to the Ministry of Communications and Informatics' Bank Account:

Exim Bank of Moldova
6, Stefan cel Mare Ave., MD 2001, Chisinau, Republic of Moldova
Account 07000193 Ref Privatisation TIT: 682163111 SWIFT: EXMMMD 22

Correspondent Banks:

Credit Lyonnais
New York, U.S.A.
(US\$)

Commerzbank
Frankfurt am Main, Germany
(DM)

Acc: 01.23854.0001.00 UID 351182

Acc: 400 58 68 580

NOTICE OF BLYVOOR OPTION SCHEME MEETING

In the High Court of South Africa (Witwatersrand Local Division)

In the ex parte application of Blyvoort Gold Mining Company Limited (Incorporated in the Republic of South Africa) (Registration number 050974306)

Notice is hereby given that in terms of an Order of Court, dated Tuesday, 1 July 1997 in the above matter, the High Court of South Africa (Witwatersrand Local Division) ("the Court") has ordered in accordance with the provisions of section 11 of the Companies Act, 1973 ("the Act"), that a meeting ("the option scheme meeting") of the holders of shares issued by the Applicant registered as such at the office of business on Wednesday, 27 August 1997 ("the option scheme meeting") be convened under the chairmanship of Alan Cecil Fildes, a partner in Edmund Nathan & Fildes Inc., attorneys of Johannesburg, or, failing him, an independent attorney or advocate nominated by Bowman Gilfillan Hayman Godfrey Inc. for the purpose of considering and, if deemed fit, agreeing to with or without modification, the scheme of arrangement ("the option scheme") proposed by Durban Roodepoort Deep Limited (registration number 010092606) ("Durban Deep") between the Applicant and the holders of its issued shares ("the option scheme").

The option scheme meeting will be held in the boardroom of Randgold & Exploration Company Limited, 5 Press Avenue, Selby, Johannesburg on Thursday, 28 August 1997 at 10:00 or 10 (ten) minutes after the conclusion or adjournment of the general meeting of the Applicant's shareholders which has been convened to be held at 14:30 at the same venue and on the same date, whichever is the later time.

Copies of the option scheme, the explanatory statement in terms of section 312(1) of the Act explaining the option scheme, the notice convening the option scheme meeting, the form of proxy to be used at the option scheme meeting and the Order of Court convening the option scheme meeting are included in the documents which have been sent to option scheme members and are available for inspection by any option scheme member, be inspected during normal business hours at the registered offices of the Applicant and Durban Deep, both at 5 Press Avenue, Selby, Johannesburg and at the offices of the secretaries of the Applicant and Durban Deep in the United Kingdom, Vaudet Corporate Services Limited, 19 Charterhouse Street, London, EC1N 6GP and at the offices of the chairman of the option scheme meeting at 4th Floor, The Forum, 2 Maude Street, Sandton. Copies of the documents may be obtained free of charge from the Applicant, Durban Deep and their secretaries in the United Kingdom at the places mentioned above.

Each option scheme member may attend, speak and vote in person at the option scheme meeting or may appoint any other person or persons (who need not be option holders of the Applicant) as a proxy or proxies to attend, speak and vote in such option scheme member's place.

The necessary form of proxy (yellow) is included in the documents which have been sent to option scheme members. Additional forms of proxy may be obtained on request from the registered offices of the Applicant, Durban Deep and their secretaries in the United Kingdom as set out above.

Each signed form of proxy must be lodged with or posted to Optimum Registrars (Proprietary) Limited, 4th Floor, Edura House, 41 Fox Street, Johannesburg, 2001 (PO Box 62381, Marshalltown, 2107) in South Africa or the United Kingdom registrar, The Royal Bank of Scotland plc, Registrars Department, PO Box 82, Caxton House, Raddcliffe Way, Bristol, BS98 7NN, so as to be received by no later than 15:00 (South African time) on Wednesday, 27 August 1997 or may be handed to the chairman of the option scheme meeting by no later than 10 (ten) minutes before the time for which the option scheme meeting is convened.

Where there are joint holders of shares, any one of such persons may vote at the option scheme meeting in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders be present or represented at the option scheme meeting, that one of the said persons whose name stands first in the Applicant's option register in respect of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.

In terms of the Order of Court, the chairman of the option scheme meeting is required to report the results thereof to the Court at 10:00 or as soon thereafter as Counsel may be heard on Tuesday, 26 August 1997. However, as the option scheme meeting will be held on Thursday, 28 August 1997, application will be made to the Court for the time of report-back to the Court to be adjourned to Tuesday, 9 September 1997 at 10:00 or as soon thereafter as Counsel may be heard. A copy of the chairman's report to the Court will be available on request (free of charge) to any option scheme member at the registered offices of the Applicant and Durban Deep, at the offices of their secretaries in the United Kingdom and at the office of the chairman of the option scheme meeting during normal business hours at the places mentioned above for at least one week before the date fixed by the Court for the chairman to report back to it.

The option scheme is subject to the fulfilment of certain conditions precedent stated in the option scheme, one of such conditions being its sanction by the Court.

Alan Cecil Fildes
Chairman of the option scheme meeting
Attorneys for the option scheme, Bowman Gilfillan Hayman Godfrey Inc.
2nd Floor, Tenancy Six Building, 100 Harcourt and Pretorius Streets, Johannesburg, 2001
(PO Box 4298, Johannesburg, 2000, Tel: 011 691-2800 or 011 635-2811
Fax: 011 24 September 1997 (9 A.M. to 5 P.M.))

DURBAN ROODEPOORT DEEP LIMITED

Registration Number 01/00926/06

Nasdaq trading symbol DROOY

("Durban Deep")

ANNOUNCEMENT TO HOLDERS OF SHARE WARRANTS TO BEARER

Holders of share warrants to bearer ("warrant holders") are advised that a general meeting of shareholders of Durban Deep will be held in the boardroom of Randgold & Exploration Company Limited ("Randgold"), 5 Press Avenue, Selby, Johannesburg, at 09:00 (South African local time) on Thursday, 28 August 1997, to consider special and ordinary resolutions to approve the constitution of Buffelsfontein Gold Mines Limited and Blyvoort Gold Mining Company Limited as wholly-owned subsidiaries of Durban Deep, the conversion of Durban Deep 'A' options into Durban Deep 'B' options, the issue of Durban Deep 'B' options to ordinary and preferred ordinary shareholders, the acquisition of certain mineral rights from Randgold, the creation of additional ordinary and new preference shares, the amendment of Durban Deep's articles of association to record the terms of the new preference shares, various amendments to the Durban Roodepoort Deep (1996) share option scheme ("the option scheme") and the issue of ordinary shares in terms of the above transactions, the option scheme and on the exercise of the Durban Deep 'B' options.

Copies of the listing particulars and a circular to members (including the notice of the general meeting) which are being posted to registered shareholders of Durban Deep are available from the UK Secretaries, Vaudet Corporate Services Limited, 19 Charterhouse Street, London EC1N 6GP or Paris Agents, Barclays Bank plc, 21 rue Laffitte, Paris 75313, France.

A warrant holder who wishes to attend or be represented at the general meeting must produce his share warrant or a certificate of his holding from a banker or other approved person at the bearer reception office of the UK registrar, The Royal Bank of Scotland plc, Registrars Department, 1st floor, 5-10 Great Tower Street, London EC3R 5ER, or he must produce his share warrant at the office of the Paris Agents, in both cases at least five clear days before the date appointed for the holding of the general meeting and shall otherwise comply with the conditions governing share warrants currently in force. Thereupon, a proxy or an attendance form under which such warrant holder may be represented at the general meeting will be issued.

1 August 1997

DPA 30526

USINOR

The Usinor Group confirms having learned about the position taken by the Spanish administration to not accept its offer of participation at the level of 35% in the privatization of CSI and the industrial project affiliated with it.

This position of the IAS (Industrial Agency of Spain) has yet to be ratified by Spain's Cabinet.

The Usinor Group recalls that its industrial project targeted the rapid development of CSI's markets, both for export and domestically, specifically by transferring large market shares to this company through contribution of the majority of its subsidiaries and participations in Spain.

In mobilizing significant synergies between Usinor and CSI, this project represented a powerful impetus for the improvement of CSI's performance and profitability in line with the interests of its personnel and its future shareholders. In this respect it is absolutely consistent with the management principles, corporate relationships and values nurtured by Usinor.

The Usinor Group will continue to actively strengthen its position in the Spanish market, building on the relationships established with its partners Condesa, Bamesa and Gonvarri, and continuing to advance further both quality and the services offered to its clients in Spain.

In any event, Usinor will follow-up the implementation of its strategy and continue to seek alternative opportunities for development through internal growth or via acquisitions.

Investor Relations tel.: (33-1) 41 25 98 98 - fax: (33-1) 41 25 97 80
Internet: <http://www.usinor.com>

USINOR

P.T. Bank Ekspor Impor Indonesia (Persero)

Singapore Branch

U.S. \$120,000,000

Floating Rate Certificates of Deposit due 2000

In accordance with the terms and conditions of the Notes, the rate of interest applicable for the interest period 28th July, 1997 to 27th January, 1998 is 6.1625 per cent. per annum.
Interest payable on 27th January, 1998 per Note of U.S. \$500,000 will be U.S. \$15,663.02.

London Forfeiting Asia Limited

Agent Bank

T.C. Ziraat Bankası

(Incorporated in the Republic of Turkey)

U.S. \$140,000,000

Floating Rate Notes Due 2001

Notice is hereby given that the Interest Rate for the period from 31st July, 1997 to 30th January, 1998 is 7%. The Floating Rate Note Interest Amount payable on 30th January, 1998 is U.S. \$15,663.02.

of the Terms and Conditions of the Notes, the Interest Rate applicable for those Noteholders who have elected to Redem their Notes on 30th January, 1998 is 6.625% and the Floating Rate Note Interest Amount payable will be U.S. \$16,777 per U.S. \$1,000,000.

Banknote Trust Company, London Agent Bank

COMPANIES AND FINANCE: ASIA-PACIFIC

Lehman scales back in Tokyo

By Gillian Tett in Tokyo

Lehman Brothers, the US investment bank, yesterday cut staff in its Tokyo operations and scaled down some of its equity business.

The move contrasts with many foreign groups in Tokyo which are seeking to expand their presence ahead of Japan's planned "Big Bang" financial deregulation.

J.P. Morgan, for example, is increasing its numbers after purchasing a seat on the Tokyo Stock Exchange. However, Lehman Brothers' decision comes amid growing expectations that Big Bang will create new competitive pressures for

both Japanese companies and foreign brokers in Tokyo.

Margins in traditional equity business are expected to be squeezed as planned deregulation brings about lower commissions and a rise in the number of brokers.

Lehman Brothers, which has been involved in brokerage business in Japan for almost a decade, reported a pre-tax loss of ¥1.8bn (\$18m) in its Tokyo operations in the 1996 fiscal year to the Japanese government. This was the third-largest loss out of 22 securities firms which submitted figures to the government. NatWest reported a loss of ¥2.3bn, while BNP reported a loss of ¥3.8bn.

Lehman Brothers said it planned to move into new, higher-margin businesses, focusing on areas to be liberalised as part of Big Bang.

These are likely to include derivatives, securitisation and other balance-sheet restructuring services.

The group will also cut its equity research and trading in Japan. Yesterday it reduced its 450-strong by about 10 per cent.

Mr Jarrett Watt, chief operating officer for Lehman Brothers Japan, said: "We are adding resources to the businesses... most profitable to the company, while paring back in some low-return, resource-intensive areas that are becoming

increasingly commoditised."

The anticipated falls in commissions are expected to hurt smaller Japanese brokers in particular. However, although foreign groups have recently been winning more business from Japanese companies, some see the trend forcing a shake-out among foreign houses as well. One US investment banker said: "The big players will probably get bigger but some of the smaller ones may struggle."

In June, foreign houses recorded a market share of 27.4 per cent of the Tokyo Stock Exchange - 10 percentage points higher than a year earlier.

San Miguel bolstered by disposal

By Neri Tenorio in Manila

San Miguel, the Philippine food and beverage conglomerate, posted a 20 per cent advance in first-half net profit from 2.41bn pesos a year earlier to 2.88bn pesos (\$100m), largely as a result of the sale of a brewery site in Jakarta.

However, net income before non-recurring items totalled only 2.72bn pesos.

The gain from the disposal more than compensated for the 37 per cent fall in operating income from 4.36bn pesos to 2.73bn pesos, and for the 8 per cent decline in consolidated net sales from

41.9bn pesos to 38.5bn pesos.

San Miguel attributed the drop in operating income to the separation of its Coca Cola Bottlers Philippines Inc (CCBPI) from the group in April, after a deal in which San Miguel swapped 70 per cent of its stake in the bottling company for a 25 per cent share in Coca-Cola Amatil of Australia.

Domestic beer sales fell 5 per cent by volume and resulted in a 1 per cent drop in revenues to 12bn pesos in the first six months. Operating income from local beer operations fell 26 per cent to 1.37bn pesos.

International beer reve-

nues grew 3 per cent to 3.88bn pesos, but San Miguel said its international beer operations posted an operating loss of 480m pesos, up from the 191m pesos loss in the same period of 1996.

The increased deficit resulted from increased spending on distribution and brand development, particularly in China.

Higher liquor prices and increased sales of mineral water boosted the sales of another unit, La Tondena Distillers, by 32 per cent, from 3.88bn pesos to 4.68bn pesos. Its operating income soared 51 per cent, from 488m pesos to 739m pesos.



Bottling San Miguel beer: domestic sales volume fell 5%

Hope springs eternal for the brothers Liu

Sichuan province is home to more than 100m pigs and, not coincidentally, the Hope Group, China's largest feedgrain business and the country's most successful private enterprise.

Over the past 15 years, the four brothers Liu, who started out hawking quails and chickens in western China, have built a company with sales last year of ¥5.2bn (\$827.2m).

But the burdens of success are starting to show.

Hope Group has postponed its planned Hong Kong listing indefinitely because "conditions are not ripe", says Mr Liu Yonghao, the company's president. He is planning instead a more modest offering on the Shenzhen stock market for mainland Chinese investors.

The group intends to raise more than ¥400m on the Shenzhen A share market - A shares are reserved exclusively for domestic buyers - later this year by offering 10 per cent of the equity in New Hope Group, the spin-off from Hope that is predominantly owned and controlled by Mr Liu Yonghao himself.

The revised plans reflect both the family strains that have emerged as the group has become more affluent and the competitive pressures that Hope faces, as domestic and international rivals have flooded into the Chinese feed market.

The establishment of Mr Liu Yonghao's New Hope Group was part of a realignment within the group, which has seen each brother emerge with his own fiefdom over the past 18 months.

Mr Liu, the youngest brother, insists: "We are not splitting. It is a joint internal restructuring that allows each of the brothers to pursue their own interests."

All four brothers maintain their shares in the family's feedgrain factory in Xinjin, and today own and run businesses that are, more or less, under the Hope umbrella.

The oldest brother, Yongzhan, has set up an operation spanning electronics, air conditioning and hotel management. The second oldest, Yongxing, remains chairman of the Hope board, but has executive responsibility for the feedgrain operations in east and northern China, where competition is fiercest.

The third brother, Yuxin, has moved into property. And Yonghao has set up and

All four brothers maintain their shares in the family's feedgrain factory in Xinjin, and today own and run businesses that are, more or less, under the Hope umbrella.

taken the majority stake in New Hope, which has interests in feedgrains, international trade, finance, pharmaceuticals and property.

He says success has given each brother the opportunity to venture into new areas: "When we started out, we were a small business, but today we are bigger, so each of us can explore our own specialities and our own interests under the flag of the Hope Group."

But observers suggest that divergent business philosophies, particularly between Yongxing, the chairman, and Yonghao, the president,

were one of the factors behind the "restructuring".

Mr Liu Yonghao, who is a member of the Chinese Political Consultative Conference, a parliamentary "upper house", believes in pursuing business opportunities that arise from a mutually beneficial relationship with the state.

This year, New Hope will manage the purchase of a dozen failing state-owned feedgrain factories, expanding market share at a lower cost, Mr Liu says, rather than building new facilities.

His older brother, he acknowledges, believes in pursuing a more independent, strictly commercial route in China's emerging private sector. Nevertheless, Mr Liu Yonghao says all critical decisions, including the estimated ¥200m acquisition of defunct state enterprises and the plan to invest ¥1bn in property over the next five years, are still taken together.

The diversification of the family businesses is also symptomatic of the stiff competition in the feedgrain market.

Hope cut feed prices by 10-25 per cent earlier this year as part of a price war with one of its rivals, Shanghai Dajiang. Mr Liu said Hope could produce feedgrain at the lowest prices in China and could afford to reduce prices further.

He is confident that feedgrains will remain the "key profit centre" for Hope, as the millions of increasingly affluent Chinese become accustomed to eating meat regularly, thereby swelling demand for feed. "In the next five years to 10 years," he says, "we aim to be not only China's, but the world's largest feed company."

James Harding

PLDT beats forecasts with 28.6% interim rise

By Neri Tenorio

Philippine Long Distance Telephone, the country's largest telecoms operator, exceeded expectations in the first six months with a 28.6 per cent rise in net income from 2.92bn pesos a year earlier to 3.75bn pesos (\$130m).

The results were boosted by profits of 703.1m pesos from an acquisition made by Piltel, PLDT's mobile phone affiliate. The gain more than offset a 685m pesos redundancy payment.

Earnings per share rose from 21.19 pesos to 28.41 pesos, and fully diluted earnings per share increased from 20.99 pesos to 27.50 pesos.

"Without the unusual items, net income for the first half of 1997 would be 3.6bn pesos, or 24.6 per cent higher than that of the same period in 1996," PLDT said. "The group did very well. It was above what we were expecting," said Mr Russell

Ong, analyst at Ansco Hagedorn Securities.

Operating revenues rose 15.2 per cent to 15.91bn pesos. The company attributed the increase to higher year-on-year growth in domestic call volumes following the installation of additional telephone lines, which now total 1.57m compared with 1.28m a year earlier. Operating expenses climbed from 8.5bn pesos to 9.23bn pesos on investment in facilities and expansion.

International toll revenues were, however, flat at 8.1bn pesos as gains from greater call volumes and the slight depreciation of the peso were offset by losses from reduced international accounting rates and a promotional pricing programme.

Mr Edgardo del Fonso, chief finance officer, said that because of the depreciating peso, the company may increase its basic local rates in September from the

current monthly average of 242.7 pesos for residential users and 551.8 pesos for business customers.

Under government guidelines, PLDT and Piltel are authorised to adjust their rates according to foreign exchange fluctuations. Mr Del Fonso said the proposed rates would mean a 10.52 per cent increase for residential users and a 11.39 per cent rise for business customers.

Mr Del Fonso said he believed the peso's real value should not go below 29.00 to the US dollar, at which level PLDT's net profit could rise by between 250m-300m pesos.

Sogen-Crosby UBP Securities sees the peso depreciation having a positive impact on the company. "PLDT's dollar-denominated earnings will make it one of the few resilient plays in the current volatile exchange rate environment," it said. PLDT shares closed at 970 pesos, up 40 pesos.

ASIA-PACIFIC NEWS DIGEST

Korea carmakers buy into Kia Steel

Hyundai and Daewoo yesterday agreed to help rescue South Korea's troubled Kia car group by taking a combined two-thirds stake in its loss-making steel unit. The move by Korea's two largest carmakers was seen as an attempt to protect third-ranking Kia against a possible takeover bid by Samsung, a new entrant in the domestic car industry. The move by Hyundai and Daewoo to purchase an one-third stake each in Kia Steel will ease financial pressure on Kia as it negotiates with creditor banks on emergency loans to stave off threatened bankruptcy. Kia, which had put the steel unit up for sale in an effort to raise capital to help repay its \$10.7bn debts, will retain a one-third stake.

Kia officials called the deal a breakthrough, while Hyundai and Daewoo said Kia Steel was an important source of specialty steel for the Korean car industry and should be saved. The three carmakers will form a consortium to manage Kia Steel, but details are still subject to negotiation.

Analysts blame Kia Steel and the construction and commercial vehicle subsidiaries for the financial problems that have pushed Kia close to bankruptcy - the three loss-making affiliates account for half of Kia's total debt. Kia is scheduled to meet today with its creditors to discuss a new restructuring plan after the banks rejected earlier proposals as inadequate. The banks are demanding that Kia executives resign and that Asia Motors, the commercial vehicles unit, be sold. Kia could be forced into bankruptcy if the banks are dissatisfied with its proposals.

John Burton, Seoul

CHINA SOUTHERN

Shares up 3.7% on HK debut

Shares in China Southern, one of China's three biggest airlines, rose 3.7 per cent on their debut on the Hong Kong stock market yesterday. The shares closed at HK\$4.875, against a 2.4 per cent gain for the benchmark Hang Seng Index. The H-shares - Hong Kong-listed stock of mainland state-owned enterprises - were offered at HK\$4.70, net of charges. In the mainland's biggest public offering to date, China Southern raised US\$631.1m through a dual listing in Hong Kong and New York.

Brokers said the debut performance was good given the weak take-up of shares offered in Hong Kong. Of the total international offering of 1.03bn shares, 71m were offered in Hong Kong and this tranche was just two-and-a-half-times oversubscribed. Investors may also have been encouraged by the support of Hong Kong companies - including two controlled by Mr Li Ka-shing - which took early stakes in China Southern. Louise Lucas, Hong Kong

NEW ZEALAND

Tranz Rail ahead 23%

Tranz Rail, the New Zealand railway and shipping company, announced a 23 per cent lift in net profit to NZ\$60.6m (US\$39.4m) for the year to June 30 which the company said was due to lower interest costs, tax benefits and a modest rise in revenue. The company, which is controlled by US group Wisconsin Central, said the fall in operating profit of NZ\$24.7m to NZ\$86.1m was largely because of redundancy costs. Earnings in the fourth quarter were steady at \$15.9m reflecting the continued softness in the New Zealand economy. Operating costs for the year were NZ\$493.3m, against NZ\$460.8m.

Terry Hall, Wellington

HONG KONG

China Everbright Tech suspended

Shares in China Everbright Technology, one of the Hong Kong-listed arms of the acquisitive China Everbright Holdings, were suspended yesterday ahead of a company announcement. Market speculation suggested the group, which is ultimately controlled by China's State Council, is to take stakes in Chevalier (OA) International, a Hong Kong-listed office equipment company, and its affiliate Chevalier International Holdings.

This would mark the latest in a group spending spree which began in May with the HK\$11.36bn (US\$1.47bn) acquisition of an 8 per cent stake in Hongkong Telecom, the territory's dominant carrier. China Everbright International, another Hong Kong-listed arm, last month raised HK\$840m through a rights issue, mainly to acquire stakes in mainland property developments from parent China Everbright Holdings. It also bought a 9.7 per cent stake in a Hong Kong-listed electrical appliances trader. Also last month, China Everbright Holdings took a 7.5 per cent stake in Angang New Steel, a mainland company which recently listed in Hong Kong.

Expectations of a mainland party buying into Chevalier have driven the company's share higher. Chevalier International shares rose 17 per cent on Wednesday to HK\$2.625 before trading was suspended, while Chevalier (OA) climbed 15 per cent to at HK\$1.01.

Louise Lucas

Brussels names date for GAN sale

By Andrew Jack in Paris

The clock has started ticking towards the privatisation of GAN. After the French election this spring threw the sale of the troubled state insurer into doubt, the process has begun again.

The decision on Wednesday by the EU's competition authority to approve a recapitalisation plan by the French state has been firmly linked to a sell-off in the coming months. But it has attached some significant additional conditions to vex potential buyers.

While the out-going government had suggested a

sale of the constituent parts of GAN could take place by the end of 1997, the EU has set a deadline of June 30 next year at the latest.

That gives GAN only limited breathing space to prepare for the privatisation, after an injection of state funding to make good its deficits and recapitalise its subsidiaries which should be agreed ahead of its annual general meeting pushed back to September.

US investment funds which have been buying property assets and lending portfolios in France may be among the potential candidates for the acquisition of

UIS and UIC, GAN's property interests, given guarantees against losses.

Analysts argue that GAN's core insurance business still requires restructuring. But there has been no shortage of candidates expressing interest at the right price.

Purchasers face one tough obligation set by the EU: to reduce by June 1999 GAN's international turnover by 50 per cent over the level shown in its accounts at the end of 1996.

However, the most closely watched question will be whether an eventual sale of GAN will be tied to that of its CIC banking arm, which

is France's fifth-largest commercial bank. GAN has always fought to maintain a shareholding, notably to control distribution agreements for the sale of life and non-life products in CIC's branches.

This option might be attractive to a large financial services group interested in both banking and insurance. But some potential candidates would prefer to buy CIC without any strings attached, such as Société Générale and Banque Nationale de Paris, which bid for the bank in a previous abortive sell-off attempt pulled last year.

While carefully nuanced, the EU seems keen to leave all options open, stressing GAN and CIC could be sold separately or together, with officials attempting to ensure the conditions in any tender document do not restrict the number of potential acquirers.

That leaves a residual question: the ultimate costs to the French taxpayer of GAN's steady commercial policies over the past few years. The EU has capped aid at FF24bn (\$3.87bn). Judging by past experience in other recent rescues, the final bill may yet grow considerably higher.

Europe's insurers set for shake-out

The GAN sale promises to ignite a wave of consolidations that could reshape European insurance markets.

Spurred by increased competition, and conscious of the need to build critical mass to cut costs and boost bargaining power, insurers are battling for market share.

Several mergers between domestic rivals - Axa with UAP in France, and Royal Insurance with Sun Alliance in the UK - have already whetted appetites for a broader restructuring.

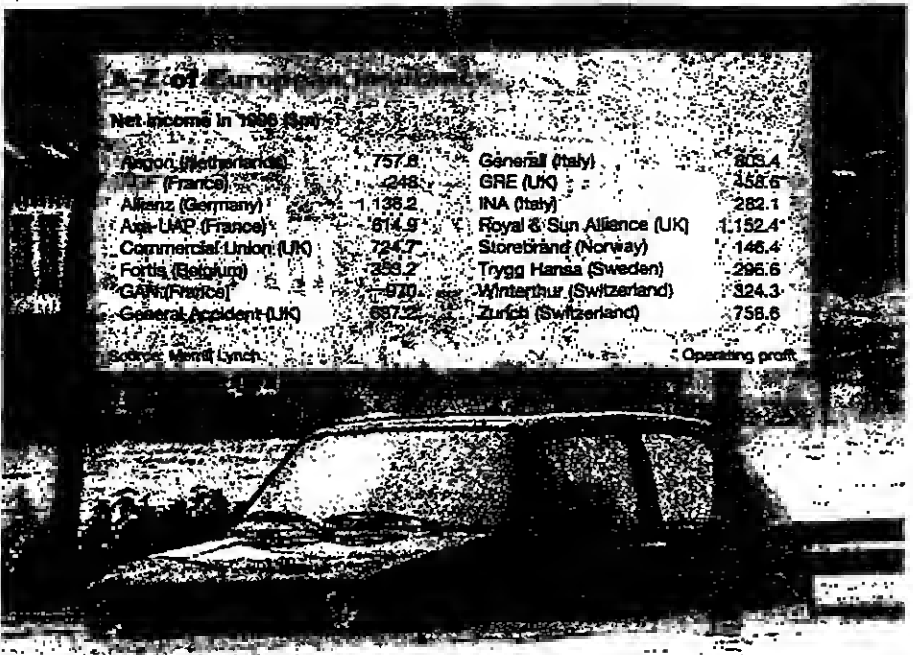
There have been few cross-border deals to date. But with the planned introduction of monetary union in Europe less than two years away, companies are weighing the advantages of having a strong presence in several European markets.

Potential buyers, for France's troubled state insurer are already lining up, eager to access its market share and strong distribution. Among the leading contenders are Assurances Générales de France, Allianz of Germany, and a partnership of insurers called Eureka.

Mr Antoine Jeancourt-Galignani, chairman of AGF, says competition across Europe, and particularly in France, has intensified since the EU introduced directives three years ago to speed deregulation.

"A lot of new suppliers have come on to the market. Bancassurance is probably more developed than elsewhere and the rules of the game with reinsurers are changing. They're now competing with the insurers."

Analysts say the French market is undergoing a transformation. While it is



still dominated by networks of tied agents serving local insurers, most of the state-owned monoliths in financial services have already been privatised.

Competitive pressures are also building in other countries. Healthy returns from investment in capital markets have left many European insurers flush with cash. But a growing proliferation of companies offering products is beginning to erode margins and shareholder returns.

Banks have already made huge inroads into insurance with their strong retail presence, and the number of companies selling policies over the telephone has swelled. Prices have plummeted in the UK and are under pressure in other countries.

With organic growth increasingly difficult to achieve and greater importance now attached to cutting costs, the way forward for many will be to raise market share by acquisition.

Analysts say monetary union will probably fuel competition, as customers buying motor insurance and life products will be able to compare products more easily, while insurers with a pan-European presence will also find it cheaper to service big commercial clients.

Mr Galignani, however, is sceptical that the single currency will accelerate the pace of consolidation. "It won't increase cross-border sales because insurance remains local. Regulation

and tax regimes are very different and there is also an element of trust in insurance. People like to buy familiar products."

Allianz, facing a new assault in its home market from the merger announced last month between Munich Re's Hamburg-Mannheimer subsidiary and Victoria Insurance, has been eyeing the French market for some time.

Earlier this year, it acquired Allianz Via Holding, an insurer jointly controlled with the Navigation Mixte conglomerate that has since been bought by Paribas. It already had a joint venture with Crédit Lyonnais.

With Zurich, the Swiss-based insurance group, and the mutually owned French insurer Maif also interested

in GAN, there will be several disappointed losers once the sell-off is completed. They will be looking for substitutes.

AGF has the most to lose. A foreign insurer taking such a strong position in the French market would pose considerable problems. Already subject to share price fluctuations on speculation that it too, is relatively small, AGF could prove a tempting target for a big competitor.

Other deals could follow should AGF win the impending auction for GAN. The restructuring of France's Worms conglomerate has led to increasing speculation that Athens, its insurance subsidiary, may soon be sold.

Candidates include Italy's Generali, which has freed itself to make other investments in France after unwinding a cross-participation with Axa in 1996. It has L1,500bn (\$2.5bn) to spend on acquisitions in France and Germany as part of efforts to double returns over the next three years.

However, Mr Jacques Blondiau, chairman of Scor, the French-based reinsurer, argues that although Europe is entering a phase of mergers, he sees a growth in the absolute number of insurers, as niche businesses are created and joint ventures established. "There is more of a recomposition than a consolidation in Europe," he says.

Analysis says the restructuring could take years. But the forces driving it are as strong and consolidation is inevitable.

Christopher Adams and Andrew Jack

ORDER OF COURT

In the High Court of South Africa

(Witwatersrand Local Division)

Johannesburg, 1 July 1997

before the Honourable Mr Justice Huisman

In the ex parte application of

Blyvooruitzicht Gold Mining Company Limited

(Incorporated in the Republic of South Africa)

(Registration number 050674306)

Case No 5717/96/1

Applicant

Upon the motion of Counsel for the Applicant and upon reading the notice of motion and the other documents filed on record:

1. the following meetings ("the scheme meetings") in terms of section 311 of the Companies Act, 1973 ("the Act") be convened by the chairman referred to in paragraph 2 ("the chairman"), who shall fix the relevant times, dates and places thereof:

1.1 a meeting ("the share scheme meeting"), in terms of the Act, of the shareholders of the Applicant, other than Durban Deep (Pty) Limited (registration number 01000920/06) ("Durban Deep"), registered as such at the close of business on the day (excluding Saturdays, Sundays and public holidays) immediately preceding the day of the share scheme meeting ("the share scheme meeting"), for the purpose of considering and, if deemed fit, agreeing to, with or without modification, the scheme of arrangement dated 8 July 1997 ("the share scheme") proposed by Durban Deep between the Applicant and its shareholders (other than Durban Deep) registered as such on the record date of the share scheme;

1.2 a meeting ("the option scheme meeting"), in terms of the Act, of the holders of options issued by the Applicant, registered as such at the close of business on the day (excluding Saturdays, Sundays and public holidays) immediately preceding the day of the option scheme meeting ("the option scheme meeting"), for the purpose of considering and, if deemed fit, agreeing to, with or without modification, the scheme of arrangement dated 8 July 1997 ("the option scheme") proposed by Durban Deep between the Applicant and its option holders registered as such on the record date of the option scheme;

2. Alan Cecil Farnham, a partner in Edward Nathan & Farnham Inc., or, failing him, an independent attorney or advocate nominated by Bowman Gilfillan Hayman Godfrey Inc. be and is hereby appointed as chairman of the scheme meetings;

3. the chairman of each scheme meeting is empowered to:

3.1 appoint scrutineers for the purpose of the scheme meeting;

3.2 determine the validity and acceptability of any form of proxy submitted for use at the scheme meeting;

3.3 adjourn the scheme meeting from time to time if the chairman considers it necessary to do so, and

3.4 determine the procedure to be followed at the scheme meeting and any adjournment thereof;

4. the chairman shall cause this Order of Court and a notice convening the relevant scheme meeting to be published once in each of Business Day, Beeld, the London Financial Times, Rapport, Sunday Times and the Government Gazette at least 21 working days before the date of the relevant scheme meeting. The notices shall state:

4.1 the time, date and venue of the relevant scheme meeting;

4.2 that the relevant scheme meeting has been convened in terms of this Order of Court and, if deemed fit, agree to, with or without modification, the relevant scheme of arrangement;

4.3 that a copy of the relevant scheme of arrangement and the explanatory statement in regard to the relevant scheme of arrangement in terms of section 312(1) of the Act may be inspected during normal business hours at any time prior to the relevant scheme meeting at the registered offices of the Applicant and Durban Deep, both at 2nd Floor, Ten Snyk Building, Corner Harrison and Prinsloo Streets, Johannesburg, 2001, and at the office of the Applicant and Durban Deep in the United Kingdom, 19 Charterhouse Street, London, EC1N 6GP, and at the office of the chairman at 4th Floor, The Forum, 21 Maudslayi Street, Sandton;

4.4 that a copy of this Order and the explanatory statement in terms of section 312(1) of the Act may be obtained free of charge on request during normal business hours by any share scheme member or option scheme member, as the case may be, at the places mentioned in 4.3;

5. copies of:

5.1 the relevant scheme of arrangement and explanatory statement relating thereto in terms of section 312(1) of the Act substantially in the form of the relevant scheme of arrangement and explanatory statement attached to the papers before the Court;

5.2 the notice convening the relevant scheme meeting substantially in the form of the relevant notice attached to the papers before the Court, showing the time, date and place of the scheme meeting;

5.3 the form of proxy to be used at the relevant scheme meeting substantially in the form of the relevant form of proxy attached to the papers before the Court; and

5.4 this Order of Court, shall be laid by the Applicant at least 21 working days before the date of the relevant scheme meeting to every shareholder of the Applicant (other than Durban Deep) in the case of the share scheme meeting and every option holder of the Applicant in the case of the option scheme meeting, at their addresses as reflected in the Applicant's registers, if members and option holders at the close of business on a date not more than 4 (four) calendar days before the date of each passing;

6. a copy of:

6.1 the relevant scheme of arrangement and explanatory statement relating thereto in terms of section 312(1) of the Act substantially in the form of the relevant scheme of arrangement and explanatory statement attached to the papers before the Court;

6.2 the notice convening the relevant scheme meeting substantially in the form of the relevant notice attached to the papers before the Court;

6.3 the form of proxy to be used at the relevant scheme meeting substantially in the form of the relevant form of proxy attached to the papers before the Court; and

6.4 this Order of Court, shall be laid by the Applicant at least 21 working days before the date of the relevant scheme meeting to every shareholder of the Applicant and Durban Deep in the United Kingdom and at the office of the chairman, at the times and places mentioned in 4.3, for at least 21 working days prior to the date of the relevant scheme meeting and copies of these documents may be obtained free of charge from the Applicant, Durban Deep and their secretaries in the United Kingdom;

7. for the purposes of section 311(2)(b) of the Act, the value to be attributed to each option issued by the Applicant shall be R200;

8. the chairman shall report the results of the scheme meetings to this Court on Tuesday, 26 August 1997 at 10:00 or so soon thereafter as Counsel may be heard;

9. the reports required by this Court from the chairman of the scheme meetings shall comply with the requirements of section 315 of the Companies Act, 1973;

10. the chairman of the scheme meetings shall make a statement (and the notices of the scheme meetings which are published and sent to the Applicant's shareholders and option holders respectively shall include a statement that they will be so available) in which he reports to this Court, in writing, the results of the scheme meetings and the value of the shares and options issued by the Applicant, Durban Deep and their secretaries in the United Kingdom;

11. any share scheme member or option scheme member wishing to vote by proxy shall at least 24 (twenty-four) hours before the date of the relevant scheme meeting deposit a form of proxy in the form referred to in paragraph 5.3 of this Order. In addition, forms of proxy may be handed to the chairman up to 10 (ten) minutes before the relevant scheme meeting is due to commence.

By Order of the Court

Register

1 July 1997

Bowman Gilfillan Hayman Godfrey Inc., Applicant's Attorneys

2nd Floor, Ten Snyk Building, Corner Harrison and Prinsloo Streets, Johannesburg, 2001

(P.O. Box 2439, Johannesburg, 2001) Tel: (011) 851-3400 or (011) 850-2811

(Ref: Mr H H Schoonberg / Mr R A Cohen)

CP 30/45/24

NOTICE OF BLYVOOR SHARE SCHEME MEETING

In the High Court of South Africa

(Witwatersrand Local Division)

Johannesburg, 1 July 1997

In the ex parte application of

Blyvooruitzicht Gold Mining Company Limited

(Incorporated in the Republic of South Africa)

(Registration number 050674306)

Case No 5717/96/1

Applicant

Notice is hereby given that in terms of an Order of Court, dated Tuesday, 1 July 1997 in the above matter, the High Court of South Africa (Witwatersrand Local Division) ("the Court") has ordered in accordance with the provisions of section 311 of the Companies Act, 1973 ("the Act"), that a meeting ("the share scheme meeting") of shareholders of the Applicant (other than Durban Deep (Pty) Limited (registration number 01000920/06) ("Durban Deep"), registered as such at the close of business on Wednesday, 27 August 1997 ("the share scheme meeting"), be convened by the chairman of the scheme meetings, to be held in Johannesburg, 2001, at 10:00 or so soon thereafter as Counsel may be heard, for the purpose of considering and, if deemed fit, agreeing to, with or without modification, the scheme of arrangement ("the share scheme") proposed by Durban Deep between the Applicant and its shareholders (other than Durban Deep) registered as such on the record date of the share scheme;

The share scheme meeting will be held in the boardroom of Randgold & Exploration Company Limited, 5 Pines Avenue, Selby, Johannesburg, 2025 on Thursday, 28 August 1997 at 10:00 (South African time).

Copies of the share scheme, explanatory statement in terms of section 312(1) of the Act explaining the share scheme, the notice convening the share scheme meeting, the form of proxy to be used at the share scheme meeting and the Order of Court convening the share scheme meeting are included in the documents which have been laid to the Applicant and Durban Deep in the United Kingdom and at the office of the Applicant and Durban Deep in the United Kingdom, at the times and places mentioned in 4.3, for at least 21 working days prior to the date of the relevant scheme meeting and copies of these documents may be obtained free of charge from the Applicant, Durban Deep and their secretaries in the United Kingdom;

Each share scheme member may attend, speak and vote in person at the share scheme meeting or may appoint any other person or persons (who need not be shareholders of the Applicant) as a proxy to attend, speak and vote in such share scheme member's place.

The necessary form of proxy (to be included in the documents which have been laid to the Applicant and Durban Deep in the United Kingdom and at the office of the Applicant and Durban Deep in the United Kingdom, at the times and places mentioned in 4.3, for at least 21 working days prior to the date of the relevant scheme meeting and copies of these documents may be obtained free of charge from the Applicant, Durban Deep and their secretaries in the United Kingdom;

Each signed form of proxy must be lodged with or posted to Optimum Registrars (Pty) Limited, 2nd Floor, Edgars House, 41 Fox Street, Johannesburg, 2001 (P.O. Box 2439, Johannesburg, 2001) in South Africa or The Royal Bank of Scotland plc, Registrars Department, PO Box 80, Cadogan House, Regent Street, London, W1A 2EX, in the United Kingdom, as to be received by no later than 14:00 (South African time) on Wednesday, 27 August 1997, or may be handed to the chairman of the share scheme meeting by no later than 10 (ten) minutes before the time for which the share scheme meeting is convened.

Where there are joint holders of share schemes, only one of such persons may vote at the share scheme meeting in respect of such shares as he or she is jointly entitled to, but if more than one of such joint holders be present or represented at the share scheme meeting, that one of the joint persons whose name stands first in the Applicant's share register in respect of such shares as his proxy, so to use may be deemed to be the sole person entitled to vote in respect thereof.

In terms of the Order of Court, the chairman of the share scheme meeting is required to report the results thereof to the Court at 10:00 or so soon thereafter as Counsel may be heard on Tuesday, 26 August 1997. However, as the share scheme meeting will be held on Thursday, 28 August 1997, application will be made to the Court for the date of the report back to the Court to be extended to Tuesday, 9 September 1997 at 10:00 or so soon thereafter as Counsel may be heard. A copy of the chairman's report to the Court will be available on request (free of charge) to any share scheme member at the registered offices of the Applicant and Durban Deep, at the office of the secretaries in the United Kingdom and at the office of the chairman during normal business hours at the places mentioned above for at least one week before the date laid by the Court for the chairman to report back to it.

The share scheme is subject to the fulfilment of certain conditions precedent stated in the share scheme, one of such conditions being its sanction by the Court.

Alan Cecil Farnham

Chairman of the share scheme meeting

Attorneys to the Blyvoor share scheme

Bowman Gilfillan Hayman Godfrey Inc.

2nd Floor, Ten Snyk Building, Corner Harrison and Prinsloo Streets, Johannesburg, 2001

(P.O. Box 2439, Johannesburg, 2001) Tel: (011) 851-3400 or (011) 850-2811

(Ref: Mr H H Schoonberg / Mr R A Cohen)

CP 30/45/24

CIB HUNGARIA BANK Ltd.

Budapest

as the Fiscal Agent of the Floating Rate Bonds due 1999 issued by the European Bank for Reconstruction and Development, informs the Bondholders that the Rate of Interest for the Interest Period between 5 August 1997 and 5 February 1998 is 21.6% p.a., while the Coupon Amount for a Bond of face value of HUF 100,000 is HUF 10,890.

NOTICE OF EARLY REDEMPTION

Südwestdeutsche Landesbank Girozentrale

DM 40,000,000 Bearer Notes

Series 22 from 1993/2005 (the "Instruments")

(ISIN DE 0003459236)

NOTICE IS HEREBY GIVEN that, in accordance with Condition 6.04 of the terms and conditions of the Instruments, the Issuer will redeem all of the outstanding Instruments on 15 August 1997 at their principal amount together with accrued interest to the date fixed for redemption (the "Redemption Amount").

The Redemption Amount will be credited to the Instrumentholders through their custodian banks.

Stuttgart, 1 August 1997

Südwestdeutsche Landesbank Girozentrale

Notice to the Holders of

US\$350,000,000 Undated Subordinated

Guaranteed Variable Rate Notes

(the "Notes")

of

Fuji Bank International Finance N.V. (the "Issuer")

Guaranteed on a subordinated basis by The Fuji Bank Limited

NOTICE IS HEREBY GIVEN THAT, in accordance with Condition 5(b) of the

Notes, the Issuer has elected to redeem all of the outstanding Notes at their principal amount on the next Interest Payment Date, 30 September 1997.

Payments of principal and interest in respect of the Definitive Notes will be made at any specified office of any of the Paying Agents listed below again

presentation and surrender of the Definitive Notes and Coupons. Such payments will be made by US dollar cheque drawn on, or by transfer to a US dollar account maintained by the payee with a bank in New York City, subject in all cases to any fiscal or other laws and regulations or orders of court applicable

thereto in the place of payment but without prejudice to the provisions of Condition 6 of the Notes. All unsurrendered Coupons, representing in the Definitive Notes, whether or not attached thereto, shall become void and no payment will be made in respect of such Coupons. Claims for payment of principal will become void ten years, and claims for payment of interest will become void five years, after the Relevant Date (as defined in Condition 6 of the Notes).

PAYING AGENTS

Fuji Bank (Luxembourg) S.A.,

25 Avenue de la Porte-Neuve,

L-2237 Luxembourg.

The Fuji Bank Limited,

River Gate House,

7-11 Finsbury Circus,

London, EC2M 7DH.

Fuji Bank (Schweiz) AG,

Tiefenbach 6,

8001 Zurich.

INTERMARKET FUND

Société Anonyme

Registered Office: 2, Boulevard Royal, L-2953 Luxembourg

R.C. LUXEMBOURG R-8622

Shareholders are hereby convened to the

ORDINARY GENERAL MEETING

of shareholders of our company which will take place at the offices of

COMPANIES AND FINANCE: UK

Logica rights for network systems buy

By Chris Gresser

Logica, the software group, is acquiring network systems company, Aldison, for £51m (\$83.1m), which it is funding via a rights issue.

The announcement caused Logica shares to rally, closing up 60p to 750p, following a profits warning earlier this summer which knocked more than 15 per cent off

the company's market value.

Logica estimated pre-tax profits for the year ended June 30 1997 will rise 14 per cent to £28.1m, in line with analysts' revised forecasts.

A final dividend of 5.8p will be recommended, giving a total up from 7.8p to 9.4p.

The acquisition is expected to boost earnings in its

first year by a couple of percentage points, according to analysts.

Following the deal, some 20 per cent of Logica's business will be telecoms related, compared with 11 per cent now. Mr Martin Read, chief executive, said this was one of the fastest-growing markets for the company.

The acquisition is being

funded by a 1-for-7 rights issue at 60p a share, which will raise £52.5m net of expenses. The issue is underwritten by Close Brothers and Hoare Govett.

Mr Read said the acquisition "will enhance Logica's ability to develop and deploy repeatable software solutions in the telecommunications sector."

It also provides substantial

opportunities to market Logica's systems integration services to Aldison's client base.

Aldison provides service centres which allow mobile phone users to receive short messages, ranging from updates on traffic jams to e-mails.

The private company, based in Ireland, reported doubled turnover for 1997 of

£30.1m on which it made pre-tax profits of £2.5m.

Aldison's two senior executives, Mr Lary Quinn, managing director, and Mr Gilbert White, chief executive, who together own a quarter of the company's equity, are staying with the group.

The other vendors include two business angels, banks and the Irish Development Agency.

Any extra dividend will need to be negotiated with MCI
BT static in first quarter

By Virginia Marsh

Increased competition, falling rates and the strong pound contributed to a 16.5 per cent drop in turnover from international calls at British Telecommunications in the first quarter.

BT said yesterday that international calls had contributed £299m (£242.2m) against £272m to total turnover of £1.37bn (£1.14bn). Pre-tax profits edged up 1.4 per cent to £881m (£869m) for the quarter to June 30.

Sir Peter Bonfield, chief executive, said the results - in line with market expecta-

tions - were "satisfactory" given BT's price reductions of about £230m.

The reductions had offset an 8 per cent increase, on a 12-month average basis, in international call volume.

Inland volume growth was also 8 per cent, but turnover from inland telephone calls was virtually unchanged at £1.23bn.

Sir Peter said advertising this year would focus on the growing business market rather than on residential services.

Connections of business exchange lines had grown 5.2 per cent year-on-year to

7.3m while the number of residential lines had fallen 0.6 per cent to 20.3m.

"Competition is heating up," Sir Peter said. "We are clearly going to lose market share but the market as a whole is growing. Our aim is to make sure the overall pie continues to get bigger."

Increased marketing costs and overseas investments helped push up operating costs by 4.9 per cent to £2.91bn. Staff costs this year would be some £120m higher because employees holding share options, and therefore not eligible for the special dividend of 35p, would be

compensated for this.

However, the company dimmed hopes in the market of a further special dividend to sweeten the cost of its proposed merger with MCI.

Mr Robert Brace, finance director, said any extra dividend would have to be negotiated with the US carrier.

Analysts left full-year pre-tax profit forecasts unchanged at £3.2bn-£3.6bn, and earnings per share of about 35p, before exceptions. They said it was difficult to make projections for 1998-99 because of uncertainty over whether the merger would proceed.

Underlying growth at TI



Sir Christopher Lewinton: ready for more acquisitions

By David Blackwell

A strong performance from Dowty Aerospace helped drive interim profits before exceptional gains of 8 per cent at TI Group in spite of a £7.6m (£12.4m) currency impact.

The specialist engineering and aerospace equipment manufacturer's figures were at the top end of expectations, but the shares closed down 24½p at 544½p. Analysts suggested that this was profit-taking following a recent strong run.

Pre-tax profits for the six months to June 30 were £112.1m on sales 4 per cent higher at £933m (£895m). This compared with £125.3m last time, including an

exceptional gain of £21.6m on the disposal of non-core engineering businesses.

The group operates in 45 countries and makes 80 per cent of sales in the country of origin.

Comparison between the two halves is complicated by the inclusion of four disposals and eight bolt-on acquisitions in the 1996 half, with no similar activity this time.

Sir Christopher Lewinton, chairman and chief executive, said the group could afford to spend £300m to £500m a year and was currently working on about six bolt-on acquisitions.

Organic profits growth across the group was 15 per cent, bolstered by Dowty.

LEX COMMENT

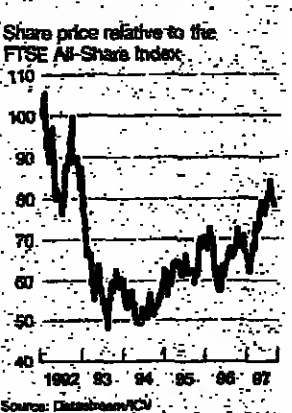
Glaxo Wellcome

Glaxo Wellcome is destroying shareholder value at the moment. But five years from now it could be creating more value than any other European drug stock. The decline of the ulcer drug Zantac - about to start in earnest - means Glaxo will be hard-pushed to beat its 9½-10 per cent weighted average cost of capital (WACC) in 1997 and 1998. This is after adjusting the figures to capitalise goodwill. R&D spending and some marketing expenses. And it is unusual in such a high-return industry, underlining the effect of a patent expiry as significant as Zantac's. By 2003, however, Glaxo's return on capital will be an astonishing 11 per cent higher than its WACC, according to forecasts from broker Deutsche Morgan Grenfell - better than most of its rivals, including SmithKline Beecham.

This enormous turnaround is being driven by recently launched treatments for asthma, AIDS and migraine, which are increasing their sales at 50 per cent a year. Aggressive marketing, including a big push on direct-to-consumer advertising in the US will boost that further. And despite flat R&D spending, improving productivity means Glaxo's pipeline is well stocked. Twelve new compounds entered development in the past six months and novel scientific techniques mean they are more likely to make it to market than ever before.

Of course, investors must be prepared to look through two years of static earnings. But on anything but a short-term view, Glaxo is still an attractive investment.

Glaxo Wellcome



Source: Deutsche Morgan Grenfell

RESULTS

		Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year			
Abbey	Yr to Apr 30	61.8	(45)	9.11	(6.22)	15.76	(11.17)	4.5	Oct 6	3.4	8.8	5.5
Alfred Irish Banks	6 mths to June 30	-	-	242.2	(201.1)	22.3	(18.3)	6.8	Sept 24	5.95	-	15
Amers	6 mths to June 30	220.2	(114.3)	73.5	(32)	10.41	(8.7)	2.5	Oct 1	2	-	8
Avon	6 mths to June 30	22.1	(21)	1.21	(0.7)	8	(4.4)	2	Oct 1	1.5	-	8
BT	3 mths to June 30	3,798	(3,641)	881.6	(869.9)	9.41	(9)	-	-	-	-	19,856
Comet	6 mths to June 30	701.7	(528.7)	47.8	(32.2)	16.81	(14.1)	3.8	Sept 9	3.4	-	12.4
Conle (John)	Yr to Feb 28	11.3	(12.5)	0.723	(1.25)	5.8	(10.9)	11	-	11	-	12.4
Green Whelan	6 mths to June 30	4,109	(4,189)	1,517	(1,551)	29.4	(29.7)	15	Oct 1	15	-	34.7
Green Property	6 mths to June 30	13.47	(5.32)	3.61	(2.94)	7.81	(5.19)	1.8	Oct 7	1.3	-	4.8
Hammond Life	6 mths to June 30	34.5	(38.7)	3.48	(2.55)	0.31	(0.8)	-	-	-	-	-
Leasmo	6 mths to June 30	362	(356)	87	(117.9)	2.1	(8.8)	-	-	-	-	2
Monmouth	6 mths to June 30	0.017	(0.883)	0.088	(0.8)	1.13	(10.57)	-	-	-	-	-
WFF	Yr to May 31	74.5	(67.9)	1.91	(2.57)	17.1	(22.3)	5.3	Nov 1	8	8	8
Ocean	6 mths to June 30	570.8	(580)	262.8	(27)	140.5	(121)	5.4	Nov 3	5	-	15.2
Reckitt	6 mths to June 30	9	(8.5)	0.02	(0.07)	0.01	(0.05)	-	-	-	-	-
Reliance	6 mths to June 30	47.2	(45.7)	10.5	(9.1)	7.8	(6.6)	3.45	Oct 3	3	-	9
Surrey Free Press	Yr to May 31	16.4	(12.6)	2.29	(1.19)	16.81	(11.6)	1.6	Nov 29	1.25	2.85	2.25
TI	6 mths to June 30	932.6	(895.2)	112.1	(125.3)	16.1	(19.3)	5.1	Oct 7	4.75	-	14.5
Unilever	Yr to Apr 30	17	(-)	1.781	(-)	7.02	(-)	-	-	-	-	-

		NAV (p)	Attributable Earnings (£m)	EPS (p)	Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year			
Barneswood	6 mths to June 30	132.6	(133.5)	0.31	(0.242)	1.611	(1.9)	-	-	-	-	1.75
Fidelity Assurance	6 mths to June 30	55.14	(53.12)	0.277	(0.48)	0.261	(0.44)	-	-	-	-	8.61
Flint and Garnett	6 mths to June 30	269.3	(269.3)	1.37	(1.37)	4.94	2.25	Oct 7	2.25	-	-	2.4
F&I Exchanges	6 mths to June 30	185.9	(120.3)	1.97	(1.84)	2.1	(1.96)	-	-	-	-	8.61
McCaughey Income	Yr to June 30	-	(-)	12	(11.6)	14	(13.6)	5.35	Oct 31	5.1	13.94	13.2
Wilton	5 mths to June 30	354	(308.1)	18	(15.3)	4.26	(4.03)	3.05	Oct 3	3.05	-	6.65

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. British currency. After exceptional charge. After exceptional credit. Total income. For increased capital. Includes special. Foreign income dividend. Includes FID element. From stock. Second interim makes 4.5p to date. Trust also announced three interim of 3p each and final of at least 5.5p for current year. Shareholder paid.

COMMERCIAL PROPERTY

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Start-ups restrict Lasmo to £2m rise

By Robert Corzine

Lasmo, the UK's second largest oil explorer, yesterday reported a modest £2m rise in net profits to £26m for the half year to June 30.

Production for the first six months fell slightly because of start-up delays at the MacCulloch field in the UK sector of the North Sea, but the results were in line with analysts' expectations.

Lasmo's share price was lifted in early trading on the back of optimistic forecasts from the company for future production. Managers said the group was still on target to reach 200m barrels of oil equivalent a day (which includes natural gas) by the end of the year, against the 171m b/d average for the first half. New discoveries and recently acquired assets should push that figure up to 250m b/d by 2001.

The shares rose 10½p to close at 279p.

Mr Rudolph Agnew, chairman, said the "underlying financial performance was good". In spite of production setbacks, Cashflow was up 16 per cent to £164m, while operating profits edged up to £105m (£103m).

Directors said Lasmo had not been affected by the recent strength of sterling. Although most of the company's earnings are in US dollars, so too are much of its costs and borrowings.

Net debt was £338m, giving gearing of 36 per cent. But it will rise to about 50 per cent after the recent acquisition of the Daclon field in Venezuela.

Total investment in exploration and appraisal amounted to £41m, with Algeria, Pakistan and the UK accounting for the bulk of the expenditure.

Cost reductions continue to be a dominant theme. Average operating costs for the first half amounted to £2.71 a barrel (£2.94). Overall costs are expected to fall further over the next few years as low-cost Algerian and Venezuelan fields enter production.

Earnings per share declined to 2.1p (3.5p).

BTR in \$72m Brazilian buy

BTR, the diversified industrial group, yesterday announced it had purchased Brazil's leading manufacturer of industrial batteries for \$72m.

Hawker, BTR's batteries business, bought the batteries division of Microhite and will trade the new company, based in Sao Paulo and producing from Sorocaba, as Saturnia Hawker Sistemas de Energia. BTR said this was Hawker's first venture in South America, the one continent where it had been absent. Saturnia would continue producing its own lead batteries and battery-fed telecommunication systems, as well as selling Hawker products in the growing regional market. BTR ruled out producing Hawker products at Saturnia, which reported sales of \$67m for 1996.

Dana agreed bid for Seaford

The trend towards consolidation among smaller oil exploration and production companies continued yesterday with Dana Petroleum making an agreed \$64.8m (\$84.8m) offer for Seaford Resources. The 10-for-3 share-exchange bid values Seaford at 78.3p, a 16 per cent premium to the pre-announcement price of 67½p. There is a 72p cash alternative underwritten by UBS.

National Power, which holds 24 per cent of Seaford, and Linpoco, a Norwegian shipping group with an 11 per cent stake, have agreed to take shares in Dana, whose assets are mainly in Russia. Dana has a 10-15 per cent Russian shareholding which includes Lukoil, Russia's biggest oil company.

FTSE committee decisions

The committee which oversees the FTSE UK equity indices has decided to continue calculating dividend yields on a gross basis, as well as introducing a net figure, after taking soundings in the City.


The committee said last month it was planning to move from a gross calculation to net following the July 2 Budget, which abolished dividend tax credits paid to pension funds with immediate effect. That meant that many large City institutions, which are the main users of the FTSE indices, now receive dividends net rather than gross.

However, the committee found considerable support for continuing to calculate a gross figure, particularly among actuaries. Abolition would have made it hard for actuaries to comply with the 1995 Pensions Act, which requires that a scheme's Minimum Funding Requirement be calculated with regard to the gross dividend yield on the FTSE Actuaries All-Share Index.


The committee said it expected to introduce the net yield figure in mid-September. It has changed its calculations of total return, as well as index adjustments for stocks going ex-dividend, from a gross to a net basis on July 7. The FT will publish both the gross and net dividend yield figures for the indices. The paper plans to continue showing dividend yields for individual companies on a gross basis in the London Share Service pages.

Martin Dickson

BUSINESSES FOR SALE



ETGBA



Bank of America

INVITATION TO SUBMIT BINDING OFFERS FOR THE ACQUISITION OF THE SHARES OF KERAFINA S.A.

On the basis of Article 6, para. 1 (b) of L. 2000/91 it is announced that the company KERAFINA S.A. ("KERAFINA" or the "Company") is offered for sale. The procedure to be followed is that of an international Public Tender Offering under the following terms and conditions:

a. THE OBJECT OF THE SALE
The transaction refers to the sale of 1,582,009 nominal voting shares representing 94.93% of the Company's total registered voting shares. The shareholders wishing to transfer their holdings are the INDUSTRIAL RECONSTRUCTION ORGANIZATION (I.R.O.) S.A., which holds 1,582,884 shares, the GENERAL BANK OF GREECE S.A. with 121,588 shares and the HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A. (ETBA) with 66,529 shares. The offers to be submitted by interested parties must refer to the total amount of shares for offered sale.

b. SUMMARY INFORMATION
The Company was founded in 1982 and engages in the production of and marketing of vitreous china sanitary ware. It owns a plant in Kalamaki, in the Korinth District (75 km south of Athens), the production of which accounts for about 25% of domestic output. Kerafina holds a considerable share of the domestic market for sanitary ware from vitreous china. The Company's financial data over the past five years is summarily presented in the following Table (amounts in mill. drs.)

	1992	1993	1994	1995	1996
Turnover	1,175	1,196	1,381	1,659	1,706
Net profits before tax	37	4	81	1	10
Total Assets	1,441	1,447	1,693	1,872	1,996
Total Net Worth	959	959	836	836	854

c. FINANCIAL ADVISOR TO THE IRO FOR THE SALE
The role of Financial Advisor to the IRO for the sale is assigned jointly to ETGBA S.A. (12-14 Amalias Ave, 102 36 Athens, Tel: 3296470, Fax: 3296323, Responsible: Mr. G. Koutsoudakis) and the BANK OF AMERICA NT & S.A. (39 Panepistimiou Str, 105 64 Athens, Tel: 3285227, Fax: 3241936, Responsible: Mr. Y. Bravos).

d. TERMS AND CONDITIONS FOR SUBMITTING BINDING OFFERS
1. The present tender will take place in accordance with the provisions of Article 6, para. 1 (b) of L. 2000/91 as enforced into law, the terms included hereby in this invitation as well as in accordance with the terms provided for in the "Offering Procedures Letter", which will be made available to the interested parties from the Advisors' premises, regardless of whether such terms are repeated or not herein. Submission of an offer implies the acceptance without any reservations of these terms by the bidder. Reservations or proposals of different terms and conditions will be disregarded.
2. Interested parties are invited to submit sealed binding offers at the premises of the Athens Notary Public Mrs. Paraskevi Iliopoulou, 15 Mavromihail St, Athens 105 78, Tel: (301) 3604268, not later than 13:00 hours on Friday, September 26, 1997. The submission of the offers must be made in person or through a duly authorized for that purpose representative. Overdue offers will not be accepted and will not be taken into consideration.
3. All offers must be accompanied, on the penalty of nullity of the offer, by a Letter of Guarantee to the amount of one hundred million drs. (100,000,000 drs.) issued by Bank legally operating in Greece, valid, in the case of low bidders until the awarding of the sale of the Company to the successful bidder and in the case of the highest bidder until the signing of the Share Purchase Agreement and in any case expiring not later than January 31, 1998. The text of the Letter of Guarantee is set forth in the "Offering Procedures Letter".
4. The unsealing of the offers submitted will take place in the premises of the above-mentioned Notary at 14:00 hours on Friday, September 26, 1997 and can be attended by all those who have submitted a timely offer.
5. The offers must be submitted on the basis of a final Draft Share Purchase Agreement as it will be finalized after the receipt and possible incorporation into it of any remarks by interested parties, and which will be handed to the latter by September 12, 1997 at the latest. Interested parties will have at their disposal adequate time to review and audit the Company and form their own view on its condition. The submission of an offer implies that the interested party is fully aware of the true and legal position of the Company and no additional terms will be accepted over and above those included in the final Draft Share Purchase Agreement.
6. Offers must explicitly mention the total price offered as well as the way and time (in case of instalments) of payment. A credit for the price is acceptable provided that at least 25% of the total amount offered is paid in cash upon the signing of the Share Purchase Agreement, while the rest will be payable in semi-annual or annual instalments, the first not later than a year from the signing of the Share Purchase Agreement and upon the condition that it is wholly secured by a Letter of Guarantee issued by a Bank legally operating in Greece.
7. The submitted offers must be accompanied by a Business Plan for the Company in which the interested parties must undertake a firm commitment as to the amount of investments to be realized as well as the anticipated number and time duration of job positions assured. Both these issues will be the object of contractual commitments by the buyer.
8. The criteria for the evaluation of the offers are (a) the price offered (b) the annual number of assured job positions and (c) the amount of annual investment outlays to be realized. The evaluation system and the contribution of each of the above criteria to the final aggregate grade of each submitted offer will be made known to the interested parties, together with the "Offering Procedure Letter", available from August 4, 1997. The "Offering Procedures Letter" will also include the initial Draft Share Purchase Agreement upon which the interested parties can make comments, to be submitted to the Advisors until September 2, 1997 at the latest.
9. In case an offer provides for payment of the price on credit, its evaluation will take into account its present value, calculated by means of a fixed discount rate over the whole payment period which will equal the interest rate earned by the latest annual issue of Greek State Treasury Bills issued prior to the deadline for the submission of binding offers.
10. The buyer must accept penalty clauses for all issues in his offer related to the evaluation criteria with respect to the amount of investments to be realized and the number of job positions to be assured. The amount and the calculation method of the penalties are determined in the "Offering Procedure Letter" referred to in para. 1 above.
11. The prevailing bid will be the one to obtain the highest grade according to the evaluation system as set out in para. 8 above.
12. In the event that the person or entity to whom transfer of the Company shall be awarded breaches its obligation to appear at the place and the time to be determined by the permanent invitation of the Sellers and to execute the respective Share Purchase Agreement on the terms set forth in this present, as well as on those included in such party's offer, as finally formulated, then the amount of the above-mentioned Letter of Guarantee shall be forfeited for the benefit of the Sellers (or on a pro rata basis, as a penalty acknowledged and accepted to be fair and reasonable, the payment of which shall in no case mitigate any additional liability of the offering party arising on the basis of the law.
13. The sellers retain the right to declare the tender process aborted if the prevailing bid is not judged wholly satisfactory to them.
14. The sellers maintain the right to modify the terms of the present invitation, including the deadline for the submission of binding offers. If it is judged necessary, provided that the interested parties involved in the tender process are informed in writing and the publicity requirements provided for by Article 46a, para. 3 of L. 1982/90 are adhered to.
15. Those parties participating in the present tender process and submitting an offer do not acquire any right, claim or demands from the present invitation and their participation in the tender process, against the Sellers or the Advisors for any reason or cause whatsoever. The present document has been drawn up in the Greek language and translated into English. In any case however the Greek text prevails. Requests for copies of this invitation, the "Offering Procedure Letter" and any other information must be addressed to the Advisors as follows:

ETGBA S.A.
Rt. Mr. G. Koutsoudakis
14 Amalias Ave.
102 36 Athens
Tel: 3296470 Fax: 3296323

BANK OF AMERICA NT & S.A.
Rt. Mr. Y. Bravos
39 Panepistimiou Str.
105 64 Athens
Tel: 3285227 Fax: 3241936

REPEAT CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF "TOURISTIKI GEORGIKI EXAGOGIKI SA - PORTO CARRAS" OF THESSALONIKI, GREECE

ΕΘΝΙΚΗ ΚΕΦΑΛΕΟΥ ΣΑ, Administration of Assets and Liabilities, of 96 Chrysospephos St, Athens, Greece, in its capacity as Liquidator of "TOURISTIKI-GEORGIKI-EXAGOGIKI SA - PORTO CARRAS", a company with its registered office in Thessaloniki, Greece, (the "Company"), presently under special liquidation, as an on-going concern according to the provisions of Article 46a of Law 1892/1990, by virtue of Decision No 915/1997 of the Thessaloniki Court of Appeal

announces a repeat call for tenders

for the sale of the assets, as a single entity, of the company described below.

BRIEF INFORMATION
The Company was established in 1953. On March 17th 1997 the Company was placed under special liquidation as an on-going concern, in accordance with article 46a of Law 1892/90, as supplemented by art. 14 of L.2000/91 and modified subsequently. The objectives of the Company include tourist and hotel operations and in particular the establishment and running of tourist and hotel units, of tourist resorts as well as of ships employed for tourist purposes. Furthermore, the Company's objectives include the establishment and operation of farms, of agroindustries, of all types of agricultural and livestock businesses, the exportation of Greek products, the operation of export businesses in general, as well as any other type of activity related to the above.

ASSETS OFFERED FOR SALE
The assets for sale include the following briefly described under A and B below: tourist and industrial installations situated in Porto Carras, near Marmara Chalkidiki, at a distance of about 125km from Thessaloniki, by the sea and over a total area of 17,708,615 sq.m approximately.

A. TOURIST INSTALLATIONS

- STYFIDIA BEACH**: An A-class hotel with 836 beds in 433 rooms and 20 suites. The hotel also includes 3 restaurants, 3 bars and 2 rented shops. The hotel is under lease to Casino Porto Carras SA, from 1984 to 2006, when it runs a casino established within the hotel building.
- MELITON**: A luxury hotel with 827 beds in 428 rooms and 18 suites. The hotel also includes 4 restaurants, 3 bars and 10 rented shops.
- VILLAGE INN**: A B-class hotel with 178 beds in 75 studios, 7 suites and 7 bungalows. The hotel also includes 1 restaurant, 2 bars, 3 bars and 28 rented shops. The hotel has been placed on a time-share basis and many time sharing contracts have been concluded from 1991 to 2040. Both MELITON and VILLAGE INN are under the management of GRECOTEL SA and will remain so until the assets are sold, at which time the management lease expires. In the case of the Meliton Hotel only, should the management lease to Grecoel SA expire at a time the Manager (Grecoel SA) has signed contracts with tour operators, extending into the following tourist season, the management lease shall bind the new owner for that period.
- MARINA**: 5 metres deep for craft up to 45 metres in length with 168 berths, outlets for fresh water and electricity and buildings that are being used as a yacht club.
- 18 hole GOLF COURSE** over an area of 640 stremmas, 9 TENNIS COURTS and a HORSE RIDING CLUB.
- GALANI** luxury guesthouse over an area of 2,400 sq.m including a guardhouse 1252 sq.m and a chapel.
- Other auxiliary areas
- The right to utilize the MARINA installations, described above, according to a special permit granted by public authorities (art.6 par.4 of L.691/1961)
- Industrial complex which includes buildings and machinery**
- Complete winery in covered area of about 2,200 sq.m.
- Oil press - refinery in covered area of about 2,350 sq.m.
- Savery, about 1,230 sq.m
- Other auxiliary installations, such as biological sewage treatment plant, workshop, garage, Public Power Corporation sub-station and pump room.

According to contracts Nos 4013-1990, 4531-1991 and 4580-1991 (Notary: Public Chr. Silioti), the total area of Porto Carras SA (1,708,615.59 sq.m approx) has been divided into a number of vertical properties (A1, A2, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AB, AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM, AN, AO, AP, AQ, AR, AS, AT, AU, AV, AW, AX, AY, AZ, BA, BB, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BO, BP, BQ, BR, BS, BT, BU, BV, BW, BX, BY, BZ, CA, CB, CC, CD, CE, CF, CG, CH, CI, CJ, CK, CL, CM, CN, CO, CP, CQ, CR, CS, CT, CU, CV, CW, CX, CY, CZ, DA, DB, DC, DD, DE, DF, DG, DH, DI, DJ, DK, DL, DM, DN, DO, DP, DQ, DR, DS, DT, DU, DV, DW, DX, DY, DZ, EA, EB, EC, ED, EE, EF, EG, EH, EI, EJ, EK, EL, EM, EN, EO, EP, EQ, ER, ES, ET, EU, EV, EW, EX, EY, EZ, FA, FB, FC, FD, FE, FF, FG, FH, FI, FJ, FK, FL, FM, FN, FO, FP, FQ, FR, FS, FT, FU, FV, FW, FX, FY, FZ, GA, GB, GC, GD, GE, GF, GG, GH, GI, GJ, GK, GL, GM, GN, GO, GP, GQ, GR, GS, GT, GU, GV, GW, GX, GY, GZ, HA, HB, HC, HD, HE, HF, HG, HH, HI, HJ, HK, HL, HM, HN, HO, HP, HQ, HR, HS, HT, HU, HV, HW, HX, HY, HZ, IA, IB, IC, ID, IE, IF, IG, IH, II, IJ, IK, IL, IM, IN, IO, IP, IQ, IR, IS, IT, IU, IV, IW, IX, IY, IZ, JA, JB, JC, JD, JE, JF, JG, JH, JI, JJ, JK, JL, JM, JN, JO, JP, JQ, JR, JS, JT, JU, JV, JW, JX, JY, JZ, KA, KB, KC, KD, KE, KF, KG, KH, KI, KJ, KK, KL, KM, KN, KO, KP, KQ, KR, KS, KT, KU, KV, KW, KX, KY, KZ, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, LM, LN, LO, LP, LQ, LR, LS, LT, LU, LV, LW, LX, LY, LZ, MA, MB, MC, MD, ME, MF, MG, MH, MI, MJ, MK, ML, MM, MN, MO, MP, MQ, MR, MS, MT, MU, MV, MW, MX, MY, MZ, NA, NB, NC, ND, NE, NF, NG, NH, NI, NJ, NK, NL, NM, NN, NO, NP, NQ, NR, NS, NT, NU, NV, NW, NX, NY, NZ, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, OM, ON, OO, OP, OQ, OR, OS, OT, OU, OV, OW, OX, OY, OZ, PA, PB, PC, PD, PE, PF, PG, PH, PI, PJ, PK, PL, PM, PN, PO, PP, PQ, PR, PS, PT, PU, PV, PW, PX, PY, PZ, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ, QK, QL, QM, QN, QO, QP, QQ, QR, QS, QT, QU, QV, QW, QX, QY, QZ, RA, RB, RC, RD, RE, RF, RG, RH, RI, RJ, RK, RL, RM, RN, RO, RP, RQ, RR, RS, RT, RU, RV, RW, RX, RY, RZ, SA, SB, SC, SD, SE, SF, SG, SH, SI, SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ, TA, TB, TC, TD, TE, TF, TG, TH, TI, TJ, TK, TL, TM, TN, TO, TP, TQ, TR, TS, TT, TU, TV, TW, TX, TY, TZ, UA, UB, UC, UD, UE, UF, UG, UH, UI, UJ, UK, UL, UM, UN, UO, UP, UQ, UR, US, UT, UY, UZ, VA, VB, VC, VD, VE, VF, VG, VH, VI, VJ, VK, VL, VM, VN, VO, VP, VQ, VR, VS, VT, VU, VW, VX, VY, VZ, WA, WB, WC, WD, WE, WF, WG, WH, WI, WJ, WK, WL, WM, WN, WO, WP, WQ, WR, WS, WT, WU, WV, WW, WX, WY, WZ, XA, XB, XC, XD, XE, XF, XG, XH, XI, XJ, XK, XL, XM, XN, XO, XP, XQ, XR, XS, XT, XU, XV, XW, XX, XY, XZ, YA, YB, YC, YD, YE, YF, YG, YH, YI, YJ, YK, YL, YM, YN, YO, YP, YQ, YR, YS, YT, YU, YV, YW, YX, YY, YZ, ZA, ZB, ZC, ZD, ZE, ZF, ZG, ZH, ZI, ZJ, ZK, ZL, ZM, ZN, ZO, ZP, ZQ, ZR, ZS, ZT, ZU, ZV, ZW, ZX, ZY, ZZ).

B. OTHER ASSETS
Also for sale are the Company's winery trademarks, ready and semi-finished winery products, means of transport, receivables and any other items belonging to the Company.
It is pointed out that cash and cash equivalents are not included in the assets to be transferred, but will be used to cover the expenses concerning the liquidation.

OFFERING MEMORANDUM - FURTHER INFORMATION

Interested parties may obtain the Offering Memorandum in respect of the Company and its assets upon signing a Confidentiality Agreement.

TERMS AND CONDITIONS OF THE AUCTION

1. The Auction shall take place in accordance with the provisions of article 46a of Law 1892/1990 (as supplemented by article 14 of Law 2000/91 and subsequently amended), the terms and conditions set forth herein and the "Terms and Conditions of Sale" contained in the Offering Memorandum. Such provisions and other terms and conditions shall apply irrespective of whether they are mentioned herein or not. Submission of binding offers shall mean acceptance of such provisions and other terms and conditions.

2. **Binding Offers**. Interested parties are hereby invited to submit binding offers, not later than Monday, September 29th, 1997, 12:00 hours to the Thessaloniki Notary Public Mrs. Ioanna Chrousou-Bitsi, No 11 Tsimiski St, Thessaloniki 54624, tel: +30-51-270653, 272522, 287385, fax: +30-51-252572.
Offers should explicitly state the offered price and the detailed terms of payment (in cash or instalments, mentioning the number of instalments, the dates thereof and the proposed annual interest rate, if any). In the event of no specifying, at the way of payment, whether the offered amount shall bear interest and c) the interest rate, then it shall respectively be deemed that: a) the offered price is payable upon execution of the sale contract, b) the amount offered shall bear no interest and c) the interest rate shall be the legal rate in force from time to time. In case the offered amount bears interest, this shall be calculated in relation to the outstanding amount and it shall be payable on the date of payment of each instalment, unless otherwise stated by the bidder. Binding offers submitted later than the above date shall not be accepted nor considered. The offers shall be binding until the adjudication. Submission of offers in favour of a third party to be nominated at a later stage shall be accepted under the condition that express mention is made in this respect upon submission and that the offeror shall give a personal guarantee in favour of such third party for the compliance of the obligations deriving from the sale contract.

3. **Letters of Guarantee**. Binding offers must be accompanied by a Letter of Guarantee issued in accordance with the sample Letter of Guarantee contained in the Offering Memorandum, by a bank legally operating in Greece, to remain valid until the adjudication. The amount of the Letter of Guarantee must be ONS FIVE HUNDRED MILLION (500,000,000) Dracmas. Letters of Guarantee shall be returned after the adjudication.

4. Given that the Company is being auctioned as an on-going concern, it is clear that the quantity and value of stocks, finished products, raw materials and other current assets (hereafter "Current Assets") vary daily. Hence, these will be transferred as they are on the day of the signing of the sale contract. Interested parties may be informed of the actual level of Current Assets until the submission of their offer. The Liquidator and the Creditors reserve the right to ask potential buyers for a special arrangement, pertaining to a possible increase in Current Assets following the submission of their offer and prior to the signing of the contract. Potential buyers reserve a similar right with regard to a possible reduction in Current Assets.

5. **Submission**. Binding offers, together with the Letters of Guarantee shall be submitted in sealed opaque envelopes.

6. **Envelopes**. Following the binding offers shall be sealed by the above mentioned Notary Public, in her office, on Monday, September 29th 1997, 13:00 hours. Any party having duly submitted a binding offer shall be entitled to attend and sign the deed attesting the unsealing of the binding offers.

7. **As highest bidder** shall be considered the participant, whose offer will be judged by creditors representing over 51% of the claims against the Company (the "Creditors"), upon recommendation by the Liquidator, to be in the best interests of all of the creditors of the Company. For the purposes of evaluation, an offer to be paid in instalments shall be assessed on the basis of its present value to be calculated by employing a 10% annual discount interest rate.

8. The Liquidator shall give written notice to the highest bidder to appear on the date and place mentioned therein and execute the contract of sale in accordance with the terms contained in his binding offer and/or any other improved terms, which may be suggested by the Creditors and agreed upon. In the event of the highest bidder not complying with the offer or the appointment of the highest bidder or any decision to repeat or cancel the Auction or any decision whatsoever in connection with the proceedings of the Auction, the Liquidator or the Creditors shall have no liability for any legal or actual defects of the assets. Submission of binding offers shall not create any right for the adjudication nor the participants shall acquire any right, power or claim from this call and their participation in the Auction against the Liquidator and/or the Creditors for any reason whatsoever.

9. All costs and expenses of any nature, including any tax (such as VAT), duties, custom duties, any charges in favour of the state or third parties, which may need to be paid (other than those exempted by law) in respect of the participation in the Auction and the transfer of the assets offered hereby for sale, the sale contract, as well as any other act prior or subsequent to the transfer of assets shall be exclusively borne by the purchaser.

10. The Liquidator and the Creditors shall have no liability nor obligation whatsoever towards the participants in relation to any possible omissions in the Offering Memorandum, the evaluation of the offers or the appointment of the highest bidder or any decision to repeat or cancel the Auction or any decision whatsoever in connection with the proceedings of the Auction. The Liquidator or the Creditors shall have no liability for any legal or actual defects of the assets. Submission of binding offers shall not create any right for the adjudication nor the participants shall acquire any right, power or claim from this call and their participation in the Auction against the Liquidator and/or the Creditors for any reason whatsoever.

11. This call has been drafted in Greek and translated into English. In any event, the Greek version shall prevail.

In order to obtain a copy of the Offering Memorandum and any further information please contact the Liquidator: "Εθνική Κεφαλεύ ΣΑ, Administration of Assets and Liabilities", 96 Chrysospephos St, Athens 10560, Greece, tel: +30-1-23211484-7, fax: +30-1-3711905 (attention of Mrs. Marika Frangakaki), or the Liquidator's agent, Mr. George Omirak, Frangini St, Thessaloniki, tel: +30-51-288 626, fax: +30-51-237110.

CONTRACTS & TENDERS

SHEFFIELD CITY COUNCIL
OUTSOURCING OF FINANCIAL BUSINESS PROCESSES AND IS/IT SERVICES

Sheffield City Council is to outsource the following business processes:

- billing, collection and recovery of Council Tax, Business Rates and Residential Poll Tax;
- the payment of creditors, the billing, collection and recovery of monies owed and the receipt and banking of income/processing of expenditures;
- the payroll function;

together with the management and provision of the Council's complete IS/IT service.

This contract is to be awarded by negotiation in accordance with the Public Services Contracts Regulations 1993 and the EC Services Directive (92/50/EEC) due to the nature of the services, particularly with regard to their development, the taking over and handing them on or back, service quality, partnership and regeneration.

The council would prefer bids for the whole of the service and subcontracting will be controlled as per the tender documents although variants will be accepted at all stages.

The duration of the contract will be for 7 years.

All parties expressing interest should submit a written request to the Contract Management Unit, Admin. & Legal Department, Town Hall, Sheffield S1 2HT. Fax: 0114 273 5903, marked for the attention of David Calder/Paul McCormick (Tel: 0114 273 6890/6641) by 5.00 pm on Friday 29 August 1997.

All applicants will be sent an application form which should be completed and returned to the above address by Friday 5 September 1997. The criteria for selection of prospective bidders of general eligibility, technical capability/suitability and financial standing will be assessed by reference to the application form.

The number of candidates invited to submit initial proposals will be sufficient to ensure genuine competition and will be based on the number and suitability of those who submit an application form subject to a maximum of 8.

The award of the contract will be on the basis of the most economically advantageous offer to the Council. The criteria for assessing proposals will be detailed in the invitation, however they will be based on achieving the Council's four stated objectives:-

- Financial Savings
- Service Improvements
- Fair Settlement for Staff
- Partnership

A parent company guarantee and/or performance bond is very likely to be required. Although the current service is being provided by the Council's own workforce there will be no in-house bid. The Acquired Rights Directive 77/187 and the Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended) may, therefore, apply to this contract.

The Council will, as part of the negotiation process, seek to ensure that staff who transfer will do so on their existing terms and conditions.


The Council will only enter into contract with a Principal Contractor who can demonstrate they have a suitable track record in delivering such contracts. The Council accepts that such a contractor may represent a number of constituent organisations who have joined together to submit a bid, however each will be joint and several liable.

FOR SALE THE BUSINESS AND ASSETS OF MUNSTER ELECTRONICS LTD. (IN LIQUIDATION)

The company is the largest producer of double sided PTH and single sided pcbs in Ireland. The assets for sale include:

- Freehold Premises of approx. 43,000 sq. ft. on 2.75 acres.
- Front end Barco tooling system.
- CNC Drilling and Routing equipment.
- Fully Automatic Through Hole Plating Lines.
- Auto and Semi Automatic screen printing.
- Curtain Coating line together with full photo mechanical printing facilities.
- Quality Control including fully equipped laboratory and electrical testing.
- Skilled and Experienced Workforce available.

For further information, please contact
The Official Liquidator, Ray Jackson at:



KPMG
1 Stokes Place,
St. Stephen's Green, Telephone: 353-1-708 1000
Dublin 2, Ireland. Fax: 353-1-708 1122

MOORE STEPHENS BOOTH WHITE

- Business for sale
- Paper merchandising
- Turnover 1996 £13m (current £8m)
- Employees 16
- Leasehold premises Dagenham

Contact: Nigel Nutting,
Moore Stephens Booth White,
1 Snow Hill, London EC1A 2EN.
Tel: 0171-334-0334,
Fax: 0171-334-7933.

SOUTH RETAILING ENTREPRENEUR

to develop a remarkable department store in W. Gwynedd. Retirement sale of national award-winning company specialising in quality cookware & gifts. Elegant freehold 3-storey property. Excellent & expanding profit record with franchising potential. Valuation in excess of £550k.

Enquiries from genuine principals only to:
Furey Grange, Chartered Accountants Tel: 01254 236244

CONTRACTS & TENDERS

GOVERNMENT OF REPUBLIC OF MACEDONIA

Invitation for Expression of Interest
for appointing an Advisor on the Privatisation of
the Public Enterprise for telecommunications "Makedonski Telekomunikacii"

The Government of the Republic of Macedonia now intends to privatise the Public Enterprise for telecommunications "Makedonski Telekomunikacii" by selling a minor part of shares to a Strategic Investor.

With the privatisation of the Public Enterprise for telecommunications "Makedonski Telekomunikacii", the Government of Republic of Macedonia aims towards:

- improving the quality of telecommunication services in the Republic of Macedonia;
- maximising the proceeds from the sale;
- strengthening the position and competence of the Public Enterprise for telecommunications "Makedonski Telekomunikacii" on the market of telecommunications services.

In order to accomplish a successful privatisation of the Public Enterprise for telecommunications "Makedonski Telekomunikacii", the Government of Republic of Macedonia intends to select and appoint an Investment Bank (Advisor) with appropriate experience in the privatisation of a telecom operator.

The Privatisation Advisor will be responsible for all the legal and financial activities related to the preparation and implementation of the privatisation, without any right to participate in the privatisation.

The advisory services are expected to be provided through a unique leading company that may join together with different persons or firms being experts in a legal and financial field.

It is expected that the Advisor starts its assignment in October 1997 and continues until the engagement of a Strategic Investor.

The Public Invitation is open to companies from any country. A shortlist of qualified companies will be invited to submit their offers following the public invitation.

In order to determine the capability and the experience of the companies seeking to be shortlisted, the information to be submitted with the expression of interest, shall include:

- company profile, organisation, experience, human resources, financial situation;
- details of experience acquired in similar assignments in the privatisation process for selecting a Strategic Investor in the last 5 years, specifying the sector and the country, with a special emphasis on the experience in privatisation of the telecommunication sector;
- statement that he will not participate in advising the potential Strategic Investor on the privatisation of the Public Enterprise for telecommunications "Makedonski Telekomunikacii".

The Contract will be financed by the Government of Republic of Macedonia.

The Expression of interest is to be submitted in six copies in Macedonian and in English language, in a sealed envelope marked with "Expression of interest for the privatisation of "Makedonski Telekomunikacii".

The expressions of interest are to be received no later than 30.08.1997, 12:00 hours (local time), at the address given below:

Republic of Macedonia
Ministry of Transport and Communications
Mr. Abdulnural Bedzeti, Minister of Transport and Communications
Postad Crvena Skopska Opstina, 4
91 000 Skopje.
Tel: 389 91 123 292, Fax: 389 91 126 228.

FOR SALE

**Profitable chain
of coffee shops/
sandwich bars
based in North West.
Ten top sites, prime
locations, suit new
or existing operator.
Sales £3m
principals only.**

Reply Box 5375, Financial Times,
One Southbank Bridge,
London SE1 8HL.

LEGAL NOTICES

INSOLVENCY ACT 1986
D.W.L. CONSTRUCTION LIMITED
(AN OVERSEAS COMPANY)
NOTICE IS HEREBY GIVEN pursuant to Section 84 of the Insolvency Act 1986 that a Meeting of the unsecured Creditors of the above named Company, will be held at the Law Society, 4 Campden Lane, Sheffield on 15 August 1997 at 10.30 am for the purpose mentioned in Section 84 and 85 of the said Act.
Creditors whose claims are not included in the list of claims to be presented at the meeting, other creditors are only invited to vote.
a) There have been no claims submitted to the Joint Administrative Receiver, not later than 12.00 hours on the business day before the day on which the meeting is to be held, in writing or in the form of a claim to be submitted to the Joint Administrative Receiver, and the claim has been duly submitted under the provisions of Rule 1.11 of the Insolvency Rules 1986, and
b) There has been no claim submitted to the Joint Administrative Receiver, and the claim has been duly submitted under the provisions of Rule 1.11 of the Insolvency Rules 1986, and
c) There has been no claim submitted to the Joint Administrative Receiver, and the claim has been duly submitted under the provisions of Rule 1.11 of the Insolvency Rules 1986, and
d) There has been no claim submitted to the Joint Administrative Receiver, and the claim has been duly submitted under the provisions of Rule 1.11 of the Insolvency Rules 1986, and
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RECRUITMENT

However unpopular, appraisal enables a company to measure quality, says Adrian Furnham

Sense behind an insensitive system

Performance appraisal systems are one of the main sources of dissatisfaction at work. Rarely does the boss or appraisee look forward to it, and often neither is totally happy with the outcome. It becomes a sterile paper chase.

Even if an organisation introduces a modestly successful appraisal system, the enthusiasm will probably wane and it will soon look as bad as any that went before. Furthermore, when the cost of developing, implementing and maintaining the system is considered, some argue it is simply not worth considering one. Stories abound of organisations dropping quietly a system they trumpeted as state-of-the-art.

Some organisations may be bound by a contract or legal guidelines to conduct appraisals, sometimes in a particular way. The litigious Americans have gone to court over performance appraisals. Hence guidelines have been developed to help people make sure they are conducting legally sound appraisals. These include the following:

- Performance ratings should be based on specific

dimensions of job performance requirements:

- Where possible, there should be multiple raters to ensure reliability;
- Extreme (negative) ratings should be accompanied with documentation about incidence, data, location and outcome;
- The system should have an appeal process.

But most organisations are not legally required to introduce any system. The human resources department may be eager to do so, but is it wise? Do the costs outweigh the benefits? Do appraisal systems help or hurt the organisation?

There are three classic objections to appraisal systems:

1. The system can interfere with teamwork.

Performance appraisal is nearly always conducted on an individual basis, but people do, and are constantly exhorted to, work in

teams. Most are interdependent and it is not possible, or desirable, to separate the contribution of individuals. The system over-emphasises individual differences in performance, looking for differences that are not there. In this sense, some say, it seeks to be divisive, emphasising difference and diversity over homogeneity, morale and common goals.

These arguments have some force when it comes to traditional assembly-line jobs. But job performance in service industries depends heavily on the effort and ability of individuals because there are few dictates on how to behave. It is possible to separate the performance of the individual from other factors by asking raters to identify how specific "other" factors (breakdown of machinery, cut in budget, chronic absenteeism of a staff member) may have affected performance.

Nothing prevents an

appraisal system being conducted for teams with individuals sharing the mean team rating. People are usually happy to enjoy the "class average" if they feel the "class" has been working with equitable input.

2. Appraisal systems send mixed messages.

The gap between the rhetoric and reality can be a serious problem. The rhetoric says the system is about communication and improving the quality of decisions. The reality is that often it is only about performance-related pay. Organisations say the appraisal process is crucial for all managers, but rarely reward those who do it well and conscientiously, or punish those who do a poor job. The belief is that appraisal is crucial for providing the data on which administrative decisions are made. Yet all too often, appraisals have no clear idea of what is done with

ratings, partly because few organisations have a consistent policy on how they actually process, store or make decisions on the data arising from them. And even if they do, they do not communicate it effectively. This objection is not inherently a problem of the system, rather the way it is introduced.

3. The appraisal system is a significant cause of dissatisfaction and discontent.

The system is the most popular butt of complaints and ridicule in any organisation for various reasons. First, there is what has been described as a demoralising trilogy: ranking, rating and forced distributions. The appraisal system, often driven by statistical necessity, forces appraisers to differentiate and make distinctions which are neither realistic nor functional. In fact, pointing out (minor) differences between employees can disturb team morale.

Second, appraisees are often disappointed by the appraisal because self-assessments are usually more favourable than others' assessments. In this sense, more appraisees feel their appraisal is insensitive and unfair even when it is completely accurate.

Third, the managers who do the rating have ambivalent and contradictory roles, for they are both judge and counsellor, evaluator and mentor. This ambiguity can be a cause of stress for managers more used to challenging than supporting their staff and vice versa.

Fourth, ratings are inevitably subjective. Even when thorough, fair and reliable in that others agree, because they are not objective they become a lightning conductor for generalised concerns over fairness and equity. The best way around this is to have multiple raters - ideally superiors, subordinates, peers and customers.

Perhaps the best way to deal with the complaints is to encourage the disillusioned to say not what is wrong with the system, but how it can be fixed. Focus should be moved to alternatives. Critics should be asked what alternatives they prefer: no appraisal system and pay being dependent upon collective bargaining, with promotions being linked predominantly to service or who you know; or an alternative system with managers each being given a "pot" of cash to distribute at their own discretion. In short, what other approach can overcome the problems without causing new or different ones.

It is necessary to point out the way appraisal systems help organisations. Most obviously, they provide a rich and useful data bank to enhance the quality of all human resource decisions - promotions, pay, lay-offs and transfers across the organi-

sation. They can also help individuals to think through their present and future roles. At their best, they can build and cement employee commitment and satisfaction. None of these benefits automatically follows from an appraisal system, but it is difficult to imagine the first two without a well devised, organisation-wide system. The army often runs tough, efficient and well-accepted systems by being consistent.

The disillusionment with appraisal systems is nearly always a function of implementation. We are appraised at school, at sport, in skilled extra-mural activities, but we are seldom angry or cynical about the process. It is only at work that adults become highly emotional about appraisal. Pusillanimous human resource managers, untrained appraisers and uncommitted senior staff are a recipe for disaster. Yet all organisations need to estimate quality. One cannot manage what one does not measure. And that is especially true of people.

Adrian Furnham is professor of psychology at London University.

BANKING FINANCE & GENERAL APPOINTMENTS

LLOYD'S

HEAD OF LONDON OFFICE
NORTH AMERICA BUSINESS UNIT

Attractive and competitive package

The Lloyd's market has over £10 billion in current underwriting capacity and with reconstruction and renewal now successfully concluded, is focusing on further growth. The Corporation both regulates and serves the market. Five business units have been established to develop and deliver appropriate services to their market customers. The North America Business Unit comprises USA, Canada, Mexico and the Caribbean; it accounts for some 40% of premiums placed at Lloyd's. The Unit is currently preparing a medium term plan to reflect the changing regulatory and competitor influences within the region.

The Position

- Lead a team of London based staff, who develop and extend services to the market whilst supporting overall business development.
- Primary responsibility is to manage relationships with Lloyd's market participants and other parts of the Corporation.
- Report to the Managing Director, who operates both from the US and the UK.

The Requirements

- Extensive knowledge of international insurance markets, preferably with North American business experience.
- A commercially aware strategic thinker and team player with practical implementation skills.
- Experienced business developer with excellent and persuasive presentation skills.
- Graduate, preferably with postgraduate or professional qualification.

Please send your CV with current salary details to:
Fiona Johnson, K/F Selection, 252 Regent Street,
London W1B 4HJ. Tel: 0171 491 4650. Fax: 0171 491 4630.

Alternatively send by fax on 0171-312 3380
or by e-mail to kfs-london@kornferry.com
Internet Home Page: <http://www.kfsselection.com>

K/F SELECTION

A DIVISION OF KORN/FERRY INTERNATIONAL

GREENPEACE
international

Greenpeace is the world's leading campaigning organisation. Greenpeace International (SGC), a non-governmental organisation based in Amsterdam, The Netherlands, is the co-ordinating body for 32 National and Regional Offices worldwide. Supported by individual donations, one of our primary objectives is to achieve excellence and the utmost transparency in our finance operations.

SGC offers a finance professional the chance to join our senior management team as

Finance and Administration Director

The Job

- You will be responsible for the strategic management of SGC's and its associated legal entities' finances and assets as well as provide leadership and guidance to the senior finance staff and National Executive Directors of our 32 offices worldwide;
- You will legally and financially oversee all international Greenpeace entities;
- You will ensure the timely preparation and ongoing control of the annual budget for SGC including oversight over annual audited statements of SGC and its related entities and consolidated statements for Greenpeace worldwide;
- You will be head of the International Finance Department which currently comprises 16 staff;
- You will also ensure a high standard of office and building administration at our head office.

Experience and Motivation

- You are able to demonstrate a high level of achievement both as a Senior Finance Professional as well as a Senior Manager in an international work environment;
- You thrive at strategic finance and asset management;
- You are patient and persistent in driving the design, implementation and continuous improvement of financial policies and systems, in particular as far as internal financial controls, expenditure control, and cash flow management are concerned;
- You are passionate to use your professional knowledge in an NGO which is committed to non-violence in its quest to protect earth's ability to sustain life.

Personal Profile

- You are a strategic thinker, able to translate this skill into practice;
- Flexibility, stamina, persistence, and an ability to motivate others are part of your core strengths;
- An excellent command of English as a second language or English mother tongue are required.

To the successful candidate we offer a competitive package for this Amsterdam based position, including relocation if necessary.

Please send your application with full CV and covering letter to Gabriella Laumann, HR Director, Greenpeace International, Keizersgracht 176, 1016 DW Amsterdam. Closing date for the arrival of complete applications: 25th August 1997. Greenpeace aims to be an equal opportunities employer. <http://www.greenpeace.org>

Convertible
Bond Trading

London Based

£ Competitive

Our client is a leading international investment bank with a global network of offices and client base.

A challenging position has arisen for a young professional to join the Convertible Bond trading team based in London and to make a real contribution in the further development of that business.

You will be of graduate calibre with a proven track record over 1-2 years in trading Convertible Bonds in the UK and European markets. You will also be a good communicator and team player.

If you are interested in applying for this position please send your CV to: Ben Wood, Vine Patterton Ltd, Suite 26, Ludgate House, 107-111 Fleet Street, London EC4A 2AB by 13th August 1997.

VINE POTTERTON
RECRUITMENT ADVERTISING

Central London

This organisation can genuinely claim to be a truly global bank and one of the world's leading financial institutions. Its commitment to market leadership and delivering client focused products and services make it uniquely positioned to capitalise on its capital market activities.

There is now a requirement for an experienced Credit Analyst to join the Rating Advisory team. The team advise clients on rating methodology and process and undertake deemed rating projects. This encompasses preparing all documents and analysis for submission to the rating agencies.

Ideally you will be a graduate of a numerate discipline and have a minimum of two to three years' experience in credit analysis from a leading financial institution and/or rating agency.

E-mail: info@morganbanks.co.uk

Excellent Package

Candidates must be computer literate and have excellent presentation skills. Additional languages would be desirable, but not essential.

This is an outstanding opportunity to join a leading global bank, and career enhancement prospects are excellent. The remuneration package will be dependent on experience and includes a performance related bonus and a full range of banking benefits.

For further information in the strictest confidence, please contact Anthony Cook on 0171 240 1040. Alternatively send or fax your résumé quoting reference no.2598/02 to Morgan & Banks PLC, Brettenham House, Lancaster Place, London WC2E 7EN, fax no: 0171 240 1052.

<http://www.morganbanks.com.au>

Morgan & Banks
INTERNATIONALBANKING
FINANCE
SERVICESInternational Corporate
Finance – Executives

Leading Merchant Bank

London

Full Banking Package

Our client is a leading merchant bank which is currently expanding its international Corporate Finance activities in London. The Corporate Finance Division focuses on the provision of strategic and tactical advice in connection with take-overs, mergers, acquisitions and disposals, as well as Stock Market flotations and rights issues, both in the UK and overseas.

In addition to specialist industry teams, there are multi-lingual teams covering the overseas markets of Continental Europe and Scandinavia. The focus is on cross-border transactions for UK clients. There is now a requirement for two further executives to join the Corporate Finance Division in the French and Scandinavian teams. The purpose of the roles is to contribute to the development of business within these regions.

The main responsibilities for both these roles will be:

- Develop and evaluate ideas using analytical and financial modelling skills.
- Prepare presentations to clients and participate
- Participate in the execution of the transaction.

The ideal candidates for these positions will have an excellent academic background and up to 2 years experience in Corporate Finance and will have a sound knowledge of business, particularly within their respective countries of origin.

Interested candidates should contact Ian L. Tucker on 0171 491 4650 or write to him enclosing a full curriculum vitae at Stephenson Cobbold, 21 Arlington Street, London SW1A 1RN. Fax: 0171 491 4630.

SC
STEPHENSON COBBOLD
LONDON • MOSCOW • NEW YORKING BARINGS
Manager – Securitisation &
Structured Products

ING Barings is the corporate and investment banking arm of one of the leading international financial institutions based in Europe. It provides a full range of financing and advisory services in debt and equity capital markets, mergers and acquisitions and sales and trading of a wide range of financial instruments. The ING Barings Debt Products Group has a requirement for a Manager to join its London Structured Capital Markets team covering Central and Eastern Europe. The focus for this role is on securitisation, but the team originates a variety of transactions including repackaging and debt restructuring. The key responsibilities for this position are:

- Preparation of and participation in presentations to potential clients.
- Developing or supervising the development of financial models.
- Managing, under the guidance of a Director, all aspects of the execution of transactions originated by ING Barings and financed in the banking and capital markets.

The successful candidate will need to have, as a minimum, two to three years' experience including specific exposure to securitisation transactions. This could have been obtained in a financial institution, rating agency or corporate user of structured finance products.

In addition to a first class academic background, the essential attributes are:

- An ability to develop complex and flexible financial models using data supplied by clients.
- Experience of financing structured transactions in the bond or banking markets.
- Good written and oral communication skills.
- An ability to work effectively as a member of a team.
- An ability to work at times independently within the team and to take responsibility for the reliability of work done.
- Willingness to travel extensively within the region.
- Fluency in a European Language would be an advantage.

This role will suit an ambitious young capital markets professional looking to help develop high-value financings for new markets. ING Barings is uniquely placed to provide a platform for this activity and the structure of the existing team creates significant opportunities for career development.

Interested candidates should contact Ian L. Tucker on 0171 491 4650 or write to him, enclosing a full curriculum vitae at Stephenson Cobbold, 21 Arlington Street, London SW1A 1RN. (Fax No. 0171 491 4630).

SC
STEPHENSON COBBOLD
LONDON • MOSCOW • NEW YORK

INVESTMENT BANKING

Our client, one of the world's leading Investment Banking Institutions, invites applications from fluent Japanese speakers for the following positions:

SENIOR SYSTEMS ENGINEER

The Role Includes:

- management of the Japanese PC support team;
- PC and server hardware configuration;
- installation and configuring of Microsoft operating systems and applications;
- analysis of user needs and formulation of solutions;
- the provision of technical input for company strategies and policies.

The Person:

- will have the ability to communicate fluently in the commercial languages of Japan and the UK;
- will have strong leadership skills and the ability to work as part of a team;
- will possess good problem solving ability, demonstrating initiative and a methodical approach;
- will have the ability to work under pressure and to within tight deadlines.

SENIOR TRANSLATOR

The Role Includes:

- the translation of English research reports written by Analysts and Economists into Japanese;
- editing reports for issue to Japanese institutional investors.

The Person:

- will have a comprehensive knowledge of European industries, economies and politics;
- will possess a minimum of 3 years experience translating technically complex reports produced by Analysts and Economists from English to Japanese;
- will have advanced Word for Windows and Excel skills.

To apply, please post or fax your full curriculum vitae, including details of current remuneration, to either Sean Carr or Richard Lyons. Applications will only be forwarded to this client. Please indicate clearly any organisation to which your details should not be sent.

Fax: 0171-628 2400

CARR-LYONS
Search & Selection Limited

Warnford Court
29 Throgmorton St.,
London EC2N 2AT

EXTRAORDINARY OPPORTUNITY

The Performance Group, based in Oslo, Norway and London, England is dedicated to helping major international corporations in achieving breakthrough performance improvements. Our clients are in areas such as the automotive industry, household appliances, airlines, telecommunications and shipping, as well as service organisations. Our services are both process and research based, and focus on releasing the improvement potential both of the individual and of the organisation.

Senior Consultant: The candidate should have a university education, preferably with an advanced degree in Business, Economics, or Engineering. It is also very desirable that he/she should have 15+ years of business related experience spanning a range of assignments, and demonstrating increasing responsibility and leadership abilities, or alternatively senior global business consulting experience.

Junior Consultant: The candidate should have a university education, preferably with an advanced degree in Business, Economics or Engineering. It is also very desirable that he/she should have 3-10 years of business related experience spanning at least two different functional assignments, or alternatively global business consulting experience.

Research assistant: The candidate should have a university education with 2-5 years' business experience and a keen interest and ability to search, find, organise and summarise business and technical information found through libraries, the Internet, and interviews.

All applicants must desire to work in a "team environment" and possess exceptional skills in relating to people. Additionally, each candidate must possess pre-occupational and communication skills, along with competence in word processing, graphical presentation software, spreadsheets, Internet usage, and Lotus Notes. It is also highly desirable to have verbal and written skill in multiple European languages.

The compensation package for each selected candidate will be commensurate with the candidate's qualifications and experience.

Candidates should submit a written CV, including references to: Ray Peterson, The Performance Group, Meltzers Gate 4, 0257 Oslo, Norway. PHONE: +47-22-43-81-60, FAX: +47-22-44-93-28.

CJA

RECRUITMENT CONSULTANTS GROUP
2 London Wall Buildings, London Wall, London EC2M 5PP
Tel: 0171-588 3588 or 0171-988 3576
Fax No. 0171-256 8501

Use your theory of option pricing at the leading edge of econometric research.

CJRA

LONDON

MODELLING VOLATILITY

£60,000-£100,000 + BONUS

EXPANDING LONDON BUSINESS OF A HIGH PROFILE US INVESTMENT FIRM

We invite applications from candidates who must have a postgraduate qualification and have had at least 4 years' experience of applied econometric modelling, probably gained within the financial sector, an economic research organisation or academic institution. A sound grasp of the theory of option pricing is essential. You will help provide research support to a volatility trading operation. Our fund performance relies heavily upon the quality of your research initiatives. Important qualities include flexibility, having a roll-up sleeves attitude to work, and, above all, to be an effective team player. Initial salary negotiable, depending on experience.

Applications, in strict confidence, quoting under reference MV/6419/FT should be sent or faxed to the above address, will be forwarded to our client in the first instance. If there are companies to whom you do not wish your application to be sent, these should be listed in a covering letter addressed to the Security Manager, CJRA.

CREDIT
SUISSE

Financial Products

Credit Risk Management

French Counterparties

London

£ Excellent Package

Credit Suisse Financial Products has established itself as an innovative global leader in the derivative products market since its formation seven years ago. Serving a prestigious client base worldwide, it provides comprehensive treasury and risk management derivative product services.

The Bank now requires a Credit Risk Officer to be primarily responsible for the analysis of French counterparties. This will involve evaluating potential derivative counterparties in close coordination with the marketing desk.

The successful candidate will have an instinctive understanding of the French economy and its financial markets. At least four years credit experience and a working knowledge of derivative products are required.

Excellent communication and presentation skills will be needed as there is extensive daily contact with senior management within the firm. In addition, there will be client meetings and travel as required. Candidates must speak fluent French and good English and be willing to relocate to London if required.

This is an excellent opportunity to work for a market leader in the derivative product industry. An excellent remuneration package is offered which will entirely reflect experience. Initial interviews will be held in Paris or London with subsequent expenses and relocation paid for.

Interested candidates should contact Tim Smith on 0171 269 2313 or write to him enclosing full career details at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LN. Fax 0171 405 9649, quote ref 362941.

MP

Michael Page City

International Recruitment Consultants
London Paris Frankfurt Madrid Hong Kong Singapore Sydney

LAZARD ASSET MANAGEMENT LIMITED

Portfolio Manager

Private Clients

£ Competitive

City

Lazard Asset Management has significant funds under management on behalf of a wide range of international and domestic clients. The continuing success of the private client division has created an opportunity for an experienced Portfolio Manager to join the London office.

Reporting to a Portfolio Director, the successful candidate will be responsible for managing portfolios for high net worth private clients. The individual will be expected to determine an accurate assessment of client requirements and develop and maintain strong business relationships.

Preference will be given to those candidates of graduate calibre who have a minimum of three years experience within a blue-chip private client investment management or private banking organisation. They

will have completed the relevant professional qualifications (IIMR or Securities Institute diploma) and will have gained a thorough understanding of portfolio structure and the investment process.

This is an outstanding career opportunity for an exceptional, intelligent young professional with excellent communication skills who is able to demonstrate initiative and enthusiasm, combined with efficiency and superior organisational ability.

If you possess the qualities sought, please contact Sarah Hesse-Hunter on 0171 269 2314, or write to her enclosing a full curriculum vitae to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LN, or fax her on 0171 405 9649 quoting reference 363176.

MP

Michael Page City

International Recruitment Consultants
London Paris Frankfurt Madrid Hong Kong Singapore Sydney

Emerging Europe Corporate Finance

£ Generous & bonus

London

Our client is a leading securities house which is expanding its emerging market corporate finance team in London. Their primary function is equity and debt origination, corporate advisory and transaction management focusing on Central and Eastern Europe. Due to their success to date they are expanding their expertise in the sectors of Banking, Insurance, Telecoms, Oil and Gas, Utilities and FMCG. The bank requires several additional members at Vice President, Associate and Analyst levels.

Vice President

The Vice President must have a thorough knowledge of the execution of cross-border M & A and other corporate finance advisory transactions, with experience of successfully managing senior level relationships with major companies and governments.

Associate

The Associate must be an experienced transaction who can manage, implement and complete a variety of challenging assignments. They must have a minimum of three years relevant experience in structuring and transacting Emerging European investment banking business.

Analyst

Analysts should possess specialist capabilities in the above sectors on at least a regional and preferably global emerging market basis. A minimum of two years relevant experience is required.

All applicants must possess the highest quality interpersonal skills together with an international outlook. Fluent English with at least one other Central or Eastern European language would be preferred.

To apply for one of these outstanding opportunities, please send your CV in the strictest confidence to Kirk Hill, Consultant

Devonshire executive

Devonshire Executive, 7 Birch Lane, London EC3V 9BY.
Tel: 0171 626 2150. Fax 0171 626 2092. e-mail: exec@devonshire.co.uk

DE

London

RISK MANAGEMENT

£ Excellent Package

Our client is a blue-chip independent British Merchant Bank with an enviable reputation for innovation, integrity and enterprise. Capital markets and treasury trading forms a major strength of the Bank and in particular, our client enjoys a position as one of the leading players in the European markets. Against this background of strength, the Bank is investing further in its treasury and capital markets trading activities and is seeking to recruit complementary high quality individuals within its Risk Management function.

Quantitative Risk Analyst

Based on the trading floor, you will be a key player in the independent market risk team which is currently implementing a VAR model.

Responsibilities include:

- The development of exotic option pricing models.
- Advising on the VAR model validating complex option models and developing pricing models.
- Assessment of risk in the Bank's trading portfolio.
- Advising on and creating a mathematically consistent treatment of risk.
- The provision of quantitative advice for the credit risk group.

The ideal candidate will be highly numeric with probably between 18 months and three years experience. You will have excellent programming skills, good knowledge of the interest rate markets and experience of implementing VAR. A confident, self-starter you will be able to take ownership of situations and be able to make effective decisions.

Reference 363196.

Risk Analyst

The position of Risk Analyst is a critical one within the independent risk management team. You will be primarily focused on the environment of risk for the bond trading division which is one of the most respected and successful bond trading operations in the City.

Responsibilities include:

- Facilitating the introduction of VAR for bond trading.
- Assessing the Bank's interest rate risk management models, monitoring exposure versus limits and undertaking stress tests and the scenario analysis.
- Analysing sources of risk and recommending limit structures, monitoring positions against market movements and ensuring complete and consistent measurement of risk.

The ideal candidate will have a good level of numeracy with between 18 months and three years experience. You will understand VAR, be able to identify risks within particular interest rate trading strategies and be capable of building vanilla interest rate valuation and risk models in Excel/VB.

Reference 363194.

Credit Analyst

Working as part of the trading risk management team, you will be responsible for the management of credit risk arising from the Bank's bond and treasury activities.

Responsibilities include:

- Analysis of countries and financial institutions, including banks and building societies.
- Assessment of credit and settlement limits.
- Monitoring counterparty exposures relative to limits.

The ideal candidate will be a graduate and possess one to three years credit experience from a recognised institution preferably within a trading environment. You will also have a good knowledge of basic treasury products including derivatives, excellent communications skills and a desire to contribute to a team environment.

Reference 363159.

MP

Michael Page City

International Recruitment Consultants
London Paris Frankfurt Madrid Hong Kong Singapore Sydney

Emerging European Markets

Guinness Flight Hambro is an award winning fund management company, recognised for skilled fund management and innovative product development. The Company has grown significantly over recent years, a trend which is expected to continue, and is now one of the leading international fund management groups.

Over the last few years, Guinness Flight Hambro has developed a successful record in the area of Emerging Markets investment. We are now seeking to strengthen this further with the recruitment of an Assistant Fund Manager to specialise in the Eastern European markets.

Candidates will be a university or MBA graduate, will be numerate, and will speak Russian. The ideal candidate should have around 2 years investment experience.

Working as part of a small and highly professional team, on asset allocation and stock selection, the successful candidate will already have or be expected to study for the IIMR qualification.

GUINNESS FLIGHT HAMBRO

ASSET MANAGEMENT LIMITED

Please reply in writing, enclosing a full CV to: Sandie Tucker, Personnel Department, Guinness Flight Hambro Asset Management Limited, Lighterman's Court, 5 Gainsford Street, London SE1 2NE.

THE BODY SHOP

With over 1,500 shops in 46 countries, The Body Shop is a skin and hair care company committed to animal and environmental protection and respect for human rights.

Head of Investor Relations

Littlehampton, West Sussex

As the central contact with the financial community, the Head of Investor Relations at The Body Shop is responsible for managing the Company's ongoing investor relations programme. Reporting to the Head of Communications, the individual will build and develop relationships with institutional investors, investment analysts and the financial media. A central function of the role is the effective communication of the Company's financial results and other trading developments.

Knowledge of the financial markets and excellent communication skills are essential in this role. You need to be numerate with good commercial understanding, while editorial and creative skills are highly desirable. Of graduate calibre, your proven track record will demonstrate flexibility of approach, resilience and the ability to cope with stringent deadlines. Direct experience within investor relations would be ideal, although other related City

E-mail: info@morganbanks.co.uk

c.£60,000 + benefits

or financial experience will be considered. Additionally an understanding of SEC rules combined with share registration exposure would be an advantage. This position at The Body Shop offers the opportunity to develop your career in a progressive, international organisation where personal contribution is both recognised and rewarded. In return for your professionalism and commitment, you will receive an attractive remuneration and benefits package, including relocation assistance. We welcome applications from suitably qualified people from all sections of the community, regardless of race, age, sexual orientation, religion, gender or disability. For further information in the strictest confidence, please contact John Hardy on 0171 240 1040. Alternatively, send or fax your résumé quoting reference no. 2580/34 to Morgan & Banks PLC, Brettenham House, Lancaster Place, London WC2E 7EN, fax no. 0171 240 1052. All direct applications will be forwarded to our retained consultants.

http://www.morganbanks.co.uk

Morgan & Banks
INTERNATIONAL

Head of Marketing

Excellent Remuneration Package

We represent a highly successful Global Derivatives products group with offices in London, Hong Kong and New York. The group, which is part of a major international bank, is seeking to expand its global fixed income derivatives business in addition to launching new product lines. Due to the group's continued success, we wish to appoint a Head of Marketing for the UK and Europe based in London.

The Role:

- To promote the group as a provider of investment banking solutions including: credit risk advisory, project finance, vanilla and structured derivatives, lending, taxation and investor driven products.
- To enhance the business of new and existing clients by utilising the bank's European network.
- To take advantage of the customer franchise in related markets to raise the profile of the derivatives group.
- To manage and develop a highly integrated marketing team.

The Profile:

- At least seven years experience in marketing derivative product solutions to a European client base.
- Strong marketing and presentational skills with the ability to originate deals and develop profitable client business.
- In depth knowledge of financial products together with an entrepreneurial flair to develop new ideas.
- Self motivated with the ability to expand and lead a business.

This key appointment provides enormous potential to contribute to the overall business growth of the company.

For a confidential discussion please contact Tim Sheffield or David Reynolds. Tel: 0171 236 2400, Fax: 0171 236 0316 or apply in writing to: Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH
Consultants in Search and Selection

EQUITY ANALYSIS/ SALES

An outstanding opportunity for newly or recently qualified accountants/ graduates to further their career in the European Equity markets.

Our client is one of the City's most prestigious integrated securities houses covering the UK and overseas equity markets. With an extensive corporate list and exceptional UK institutional coverage the firm has built a dynamic, high quality business with a strong reputation for quality of service and integrity. As part of their growth strategy, they are seeking additional high quality individuals to increase their coverage of the Dutch and German equity markets. Working within the existing European equity research team, the position offers the opportunity to work on both primary and secondary market business.

Successful candidates will be ideally 21-28 with a highly graded degree from either a leading UK university or European business school and may have studied for a recognised accounting or business qualification. Fluency in German is a prerequisite for the German Analysis/ Sales position. Candidates will need to demonstrate their numerical, analytical and reporting skills and, in turn their ability to market and sell their ideas to clients. High personal motivation, commitment and professionalism will be the qualities vital to success in this challenging role.

These are outstanding opportunities for career minded graduates or those with an accountancy qualification. The positions offer exceptional training and professional prospects with an opportunity for significant career advancement. For an initial confidential discussion, please contact Nick Michael on (+44 171) 242 9000, or alternatively write to him at Alexanders, Mann & Partners, Alexander House, 9-11 Putwood Place, London WC1V 6HG. Facsimile: (+44 171) 405 6434. E-Mail: alexm@compuserve.com (24 hours 0976 327738)

ALEXANDERS, MANN & PARTNERS
EXECUTIVE SEARCH PARTNERSHIP

UBS
Union Bank of Switzerland

UK Small Companies Salesperson

UBS is one of the market leaders in sales, research and trading of small companies with a strong growing corporate client list in the UK and Continental Europe.

We now seek to strengthen our position further by the appointment of another dedicated Salesperson.

The successful candidate will ideally be a graduate, with a minimum of two years experience in small company equity sales/research or closely related area. Personal qualities sought will include enthusiasm and self motivation, flexibility and the ability to fit into a growing close-knit team.

The salary and benefits package for this position has been designed to attract candidates of the highest calibre and is unlikely to disappoint.

Please forward a full cv with details of current remuneration to Tracey Chandler, UBS, 100 Liverpool Street, London EC2M 2RH.

UBS
Union Bank of Switzerland

Corporate Broking Career Challenge

City

Union Bank of Switzerland is one of the largest and most influential banks in the world with the regional management of its European activities based in London. Its Corporate Broking Department, which acts for over 100 UK companies, seeks to appoint two executives to support its rapid expansion. The roles encompass, respectively, the coverage of smaller company stocks and medium to large capitalised companies.

The ideal candidates will be graduates with between two and four years experience of equities, preferably in a corporate broking environment. The ability to communicate clearly and concisely is essential. Team spirit, enthusiasm, and initiative are also important qualities. Candidates should possess a mature and hard-working approach. Foreign language skills would be useful, but not essential.

A competitive banking remuneration package is offered, including flexible benefits and discretionary bonus schemes. If you are interested in applying, please send your curriculum vitae, with a covering letter, to: James Younger, Human Resources, UBS Services Ltd, 100 Liverpool Street, London EC2M 2RH.

SUCCESS BREEDS SUCCESS

Careers in Corporate Banking and Structured Finance

We are currently on behalf of one of the world's largest banking groups, a number of graduates and/or chartered accountants with some experience in the above disciplines. Successful candidates in their 20's will ideally be motivated achievers displaying the ability to work on their own initiative as well as being effective team players. Strong communication skills will be a prerequisite for these positions.

The remuneration package will be appropriate to the major bank's position and will give successful candidates a competitive salary and benefits package.

Please write stating your preferred discipline and enclosing a CV to:
Anne Nichol, MSL International
Newmont House, 22/24 Lower Mount Street, Dublin 2.
Closing date for applications is Tuesday, August 19th.

PARIBAS

European Acquisition Finance

London

Excellent Package

Paribas is a leading international investment bank operating in 60 countries. It is involved in the full range of investment banking activities including: Equity, Fixed Income, M&A, Corporate Banking, Asset Management and Securities Services.

The bank is one of the foremost European providers of senior and subordinated debt for acquisition finance transactions with dedicated teams in each of the main financial centres. The bank is seeking to augment its team in London, which focuses on UK, Nordic and cross-border transactions, by appointing a high calibre professional who will develop responsibility for deal sourcing, structuring and closing.

The ideal candidates will have the following:

- strong analytical skills;
- a commercial and innovative outlook;
- the ability to initiate and develop contacts with deal sponsors and intermediaries;
- an excellent academic record.

Successful candidates will be: bankers (potentially working in an unrelated discipline), qualified accountants with some exposure to corporate finance, or MBA graduates operating in the corporate sector with some experience of mergers and acquisitions.

This role presents an outstanding opportunity for an energetic and ambitious young corporate banker, strategist or financier to join one of the acquisition finance market's most creative players.

Interested candidates should apply in writing to Niell Macnamaghain, at BBM Selection, 76 Watling Street, London, EC4M 9BJ quoting Ref: 449. All applications will be treated in strictest confidence.

76 Watling Street
London
EC4M 9BJ

BBM
SELECTION

Tel: 0171-248 3653
Fax: 0171-248 2814
E-mail: 449@bbm.co.uk

CREDIT ANALYSTS

Can you meet the challenge?

£ Excellent

London

Our client is a well established and highly profitable UK bank with an excellent reputation for strength, stability and innovation. The Bank's track record of consistent growth and continued market development has resulted in the need to further expand the credit department. Focusing on US and European high yield, property, asset finance, Islamic banking and trade finance, ideal candidates are likely to have experience of analysing complex structured transactions.

Credit Manager

Reporting to the Head of Credit, this senior credit professional will have managerial, as well as technical credit responsibilities. The ideal candidate is likely to have a minimum of 10 years credit experience and possibly some management exposure. Excellent analytical and communication skills, as well as a high degree of personal credibility, are pre-requisites for this role.

Senior Credit Analyst

The ideal candidate for this role will probably be in their late 20's/early 30's and have a minimum of five years' relevant experience and possibly formal credit training. This experience may have been gained in a major international bank, ratings agency or accountancy practice. Any non-standard transaction experience would be highly beneficial.

Credit Analyst

The ideal candidate for this role will probably be in their mid to late 20's with two to three years relevant experience of credit or other analytical disciplines. An ACA qualification would be advantageous.

To succeed in this dynamic and stimulating environment, you will need excellent analytical skills and the ability to apply lateral thought to complex transactions. Excellent communication and presentation skills will be needed as there will be inter-departmental and client liaison. For the successful candidates these roles offer outstanding opportunities for development.

If you can meet the challenge, send your curriculum vitae to Richard Colgan at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LN. Fax number 0171 405 9649. Please quote reference 353378 and include current remuneration details. Alternatively, telephone him on 0171 269 2315.



Michael Page City

International Recruitment Consultants
London Paris Frankfurt Madrid Hong Kong Singapore Sydney

Investment Analyst

Our London-based, globally focused, investment research firm is seeking analysts with 3-5 years of related experience. The primary focus of the work will be emerging markets. This exciting position offers the freedom and resources to pursue relevant investment ideas in any region or market. The selected candidates must be based in London and be willing to travel as needed to investigate investments. To explore this dynamic challenge, send your resume with cover letter including salary requirements to Manager of Corporate Recruiting, Dart Container Corporation, 500 Hogsback Rd., Masoo, Michigan 48854, USA. <http://www.dart.dartcontainer.com> EOE



RUSSIAN VENTURE CAPITAL

British technology venture capital management firm is looking for a recent university graduate with good Russian language skills and some prior experience in small company direct investment business, preferably in the C.I.S. Responsibility of position will be day-to-day liaison with Russian managers of technology venture funds. Good career opportunity and £20,000 per annum starting salary plus competitive benefits. Post will be London-based but with substantial travel to St. Petersburg. Applicants should write to: Harry Fitzgibbon, Top Technology Ltd., 20-21 Tooks Court, Cursitor Street, London EC4A 1LB

Ivy Mackenzie

IVY FUNDS A Growing Global Force

International Portfolio Managers/Analysts

Ivy Mackenzie manages approximately \$5 billion in mutual funds. We are looking to expand our value-oriented global equity analyst/portfolio management team. Successful candidates will have a minimum of 3 years relevant experience.

Please send resume to:

Manager-Human Relations
Ivy Mackenzie, Inc.
PO Box 5087
Boca Raton, FL 33491

Structurer - Capital Markets

London up to £60k package

Our client requires an innovative person to develop Structured Products for Securitisation. The position is of a hybrid nature and will include marketing, client contact, research and systems development. PhD Maths/Science is desirable and financial experience would be an advantage. Please write to: FITZGIBBON, 1 Leicester Place, London WC2H 7BP.

Head of International Markets - Investment Management

Highly Attractive Salary + Bonus + Benefits

We represent the international equities division of one of the key suppliers of information to the world's financial markets, with offices in the core financial centres of Europe, Asia and North America.

Due to the continued expansion of the international marketing department, the company wishes to strengthen its existing team by appointing a senior global marketer with responsibility for leading its initiatives in the investment management sector.

The individual will:

- Be able to understand and disseminate topical strategic issues that are shaping the future of the fund management industry.
- Have a sound understanding of the mechanics and process of institutional money management.
- Be able to translate these strategies and guide them into commercially viable end products for the investment community, as part of a multi-disciplinary team.

The ideal candidate should be a graduate with 8-10 years' experience within fund management, a highly self motivated, team player and able to undertake strategic marketing projects independently. The individual will have presented at all levels from board level to senior fund managers. A high standard of written work and the ability to meet deadlines is essential, combined with excellent communication and presentation skills.

For a confidential discussion please contact Edward Hunter Blair or Patrick Morrissey, Tel: 0171 236 2400, Fax: 0171 236 0316 or apply in writing to Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH

Consultants in Search and Selection

GRADUATES AND POST-GRADUATES CAREER OPPORTUNITIES IN INVESTMENT MANAGEMENT

City, £ competitive plus banking benefits

We are a well established banking and financial services organisation, specialising in private client and institutional fund management as well as providing a full range of traditional private and corporate banking activities, based in the City of London.

Owing to the expansion of our Investment Management Department, three opportunities have arisen for graduates looking for a rewarding and stimulating career in Investment Management (Private Client (2) and Institutional (1)).

Successful candidates must have excellent academic backgrounds. Numeracy, analytical, report writing and communication skills are also prerequisites.

A science degree is required for the Institutional vacancy.

Interested applicants please send a full resume including contact numbers, to:

Box A5978,
Financial Times, One Southwark Bridge,
London SE1 9HL

Applications to be received by 15 August 1997. Interviews shall be conducted week beginning 18 August 1997.

INVESTMENT BANKING

Middle East

Gulf Based

Our client is an international investment and merchant banking group with an entrepreneurial approach to direct investment in emerging markets. The Group has recently capitalised an investment company to exploit specific investment opportunities in an emerging market of the Arab world. The business plan of the newly formed company calls for establishing an office in the Gulf and high calibre executives are now sought for key positions.

Highly Attractive Expatriate Packages

Chief Executive Officer

This position requires an individual with investment and merchant banking experience to execute the planned activities of the company. In addition to being responsible for the investment portfolio, the CEO will spearhead an aggressive business development plan to identify, structure, and execute direct investment opportunities in a wide range of industries and business sectors.

Senior Vice President - Investment

This senior position has a prime responsibility for the structuring of deals in addition to the negotiation and execution of complex investment transactions. This executive will also be the focal point for liaison and co-ordination with all joint venture partners.

Senior Vice President - Administration

Responsible for all operational aspects of the business, the main focus of this position will be the setting up and development of appropriate office systems and procedures, ensuring that sound accounting and reporting controls are installed.

These are challenging roles, which offer a unique opportunity to join a dynamic new venture while living and travelling within the Middle East. The successful candidates will be highly motivated professionals with investment banking and business development experience. The comprehensive expatriate packages will contain a performance driven element in addition to a salary commensurate with the importance of the role. Please send your career details in strict confidence to Brian Jarvis or Phillip Wright or telephone for an initial discussion.

Devonshire executive

A MEMBER OF THE DEVONSHIRE GROUP PLC

7 Birch Lane, London EC3V 9BY

Tel: 0171 626 2150, Fax: 0171 626 2092, e-mail: exec@devonshire.co.uk

Currencies Analyst

FRANKFURT

EXCELLENT

Our client is the Asset Management arm of one of Europe's leading investment banking groups. Assets under management increased by 23% in the last year, reflecting the company's successful investment strategy which encompasses all the world's major markets, as well as the emerging markets of Asia and Eastern Europe.

The Asset Management Research Team is a truly global facility, providing product, country and sector specific support to both fund managers and external clients. This is an opportunity for a dynamic individual to join a high calibre Bonds & Currencies Team which is central to the development of the organisation's global investment strategy.

The Position

As a key member of this established team, you will be required to produce high quality research in an environment which promotes innovation and autonomy. Responsibilities will include:

- Providing short and medium term forecasts for currencies included in the J.P. Morgan Government Bond Index, especially US Dollar, Pound and Yen.
- Running a separate model portfolio for currencies.
- Working on special topics relating to exchange rates.

The successful candidate will be rewarded with a competitive salary and excellent career prospects.

The Candidate

- 2-3 years experience (buy or sell side) of currency forecasting and the international money markets including an in depth knowledge of currency research techniques.
- A high level of numerate ability and proven quantitative analysis skills.
- A strong academic background, preferably maths based, probably to MSc / MBA level.
- Excellent communication skills and the ability to work effectively as part of a team.
- Some knowledge of German will be advantageous.

For a confidential discussion, please contact Tabassum Ahmad on Tel: 0171 730 4211, or send your CV to Rizwan Nash, 21 Ellis Street, London SW1X 9AL, Fax: 0171 730 0611



Rizwan Nash

Investment Executive

Banking and Financial Institutions

World's leading development finance institutions. At the end of 1996 we had £6 billion invested in 393 enterprises in over 50 countries in the developing world and we plan to make new private sector investments totalling £250m a year in the future. Some £250m is currently invested with banks, development finance institutions, leasing companies and venture capital funds around the world. With the business still expanding, our Financial Markets Group is looking for a finance professional for its Banking and Financial Institutions Team.

Initially based in London but with regular overseas travel, you will play a critical role in assessing potential investment opportunities in the financial sector, negotiating and concluding loan and equity investments, and monitoring and managing existing investments in our financial sector portfolio.

In addition to a professional qualification (ACA or MBA), you will have a background in either project finance, financial institutions, corporate finance or perhaps management consultancy in the financial sector. As well as strong financial and analytical abilities, you should also have experience in negotiating legal agreements.

Personal characteristics are key: self motivated and commercially aware, you also need to be an effective communicator. Practical ability in Spanish would also be an advantage.

In return we offer a competitive salary, dependent on qualifications and experience, and a benefits package that includes a subsidised UK mortgage and non-contributory pension scheme.

Please write with a full CV, enclosing details of current salary and quoting reference no. 2861, to: Andrew Harris, Human Resources Department, CDC, One Bessborough Gardens, London SW1V 2JQ, UK.

E-mail: dephr@cdc.co.uk

Visit our web site on: <http://www.cdc.co.uk>

CDC is committed to equal opportunities.



BRITAIN INVESTING IN DEVELOPMENT

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PRIVATE CLIENTS ACCOUNT OFFICER

Our client, established in Luxembourg for over ten years and with an excellent position in its chosen markets, is the European arm of an entrepreneurial and innovative international banking group. As its private banking activities are experiencing substantial growth, it seeks to strengthen its team by the hiring of a Private Clients Account Officer.

The role

- advise clients on new investment opportunities
- constantly review and analyse clients' portfolios
- ensure that client requests are complied with
- represent the bank in a professional and dedicated manner
- constantly keep abreast of developments on the main equity, bond and money markets with emphasis on emerging markets, including those of Latin America
- at all times be in compliance with regulatory rules and regulations.

The person

- at least three years in a similar function
- knowledge of the major stock, bond and money markets
- familiarity with emerging markets, with focus on Latin America
- fluency in Portuguese and English; knowledge of French and Spanish an advantage
- strong analytical and very good presentation skills
- PC literacy, team spirit, dynamism, good personal organisation.

This is a challenging position with good future prospects. Interested candidates should send detailed cv, quoting reference 5193AR, to Ola K Roed, PA Consulting Group, 23 rue Aldringen, L-1118 Luxembourg.

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Fixed Income Fund Manager

City Excellent Salary + Performance Bonus + Benefits

Our client is a leading global asset management house with over \$50bn in funds under management, encompassing institutional, pension and mutual funds, with a strong presence in London. The successful fixed income team is seeking to increase its resources as part of a business growth strategy, with the appointment of a senior fund manager. This high calibre individual, who is used to working in a highly professional team environment, will participate in managing fixed interest assets of approximately \$15bn.

You will have a proven track record and around ten years' experience in either managing global bonds and currencies or in strategic bond and currency asset allocation. You will be responsible for new business and product development as well as managing designated portfolios. Ideally, you will have a first class academic background, preferably with a second degree, and be comfortable with quantitative analysis.

This demanding role requires an ambitious individual who is interested in joining a well respected, successful and growing business.

For a confidential discussion please contact Patrick Morrissey, Telephone 0171 236 2400, Fax: 0171 236 0316 or apply in writing to Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH
Consultants in Search and Selection

ACCOUNTANCY APPOINTMENTS

Project Accountant

Agents of Change Required

Manchester

c £35,000 + Car + Bonus

Our client, a major UK Plc with an annual turnover in excess of £500 million, is a leading player in the European Transport and Logistics Sector. As a result of a Corporate Business Review they are about to embark on a Year 2000 Financial Project.

The project is designed to implement a new Year 2000 compliant Group Financial System with best practice procedures and a re-designed Management Information framework to help managers focus on operating and strategic issues.

Reporting to the Project Director, your responsibilities will include:

- Conduct a financial strategy and organisational review - assessing the impact of proposed system changes.
- Liaise with software consultants.

- Lead presentations to Business Unit Managers ensuring acceptance of the system.
- Co-ordination and execution of the Live System implementation with a full post implementation review.

The successful candidate will be an experienced accountant with previous exposure to large scale systems implementation projects, eg JD Edwards, JBA, Lawson etc. To enable this project to succeed, you must possess strong interpersonal skills, have a determined character and the ability to have a substantial influence on the business.

If you feel you have the necessary skill base and drive, please forward a copy of your CV to Barry Heald at Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ, quoting ref 357470.



Michael Page Finance

Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide



Household of HRH The Prince of Wales Financial Controller

London

c £35,000 + Car

The Household of HRH The Prince of Wales is responsible for all the public and personal activities of The Prince of Wales. These responsibilities include organisation and administration of all the official engagements undertaken by The Prince of Wales in the UK and overseas. The Household employs approximately 70 staff, based in London and Gloucestershire.

The Financial Controller - a newly created position in the Household - will have overall responsibility for maintaining and developing the existing financial reporting systems and internal controls. The appointee will report to the Treasurer to The Prince of Wales and be responsible for two members of staff.

- Responsibilities will include:
- Day-to-day financial control of all aspects of the Household.
 - Preparation and monitoring of annual budgets, quarterly forecasts and cashflows.
 - Regular financial reporting to the Treasurer to The Prince of Wales, including variance analysis.

- Development of procedures and newly installed computerised accounting systems.
- Financial and administrative responsibility for The Prince of Wales's Charities Trust and its trading subsidiaries.
- Ad hoc financial exercises, such as value for money studies.

The successful candidate will be a qualified accountant who will demonstrate a track record of achievements in his or her career to date and possess first class communications skills with an ability to liaise at all levels with finance and non-finance staff. The appointee will contribute towards the development and improvement of the efficiency of the Household's activities.

Candidates interested in this important appointment should forward a CV with detailed covering letter to retained consultant David Morgan at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN, Tel: 0171 269 2284, fax: 0171 831 6293.



Michael Page Finance

Specialists in Financial Recruitment
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Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

Financial Controller

West London

c £42,000 + Bonus + Car + Benefits

With the enviable position of market leader in both the UK and continental Europe, our client offers a range of specialist services and solutions to a blue-chip client base. The business is profitable and dynamic with its success based on service quality and innovation, combined with the leadership of a commercially focused board.

With the backing of venture capitalists and the objective to realise their investment in 3-5 years, the MBO team are committed to the continued growth of the business. The Financial Controller will play a key management role. Reporting to the Finance Director and working closely with operational management, your brief will be to provide proactive support to senior management through clear financial leadership. Your areas of responsibility will include:

- Line responsibility for the UK and Group finance department.
- Dotted line responsibility for the continental European finance function.
- Ongoing development of the accounting team.
- Recommendation and implementation of financial systems and controls.

- Liaising with the operational management in providing financial advice for commercial decisions.

The successful candidate must be able to demonstrate a strong track record of achievement within a commercially-focused business.

The individual will be an ambitious qualified accountant, ideally late 20s/early 30s, with first class technical ability combined with excellent communication and influencing skills.

Candidates must demonstrate energy and commitment, combined with a 'hands-on' approach and the intellectual ability to contribute to strategic decisions.

In return, the company offers an attractive remuneration package and the opportunity to make a real impact in an exciting and dynamic business.

Interested applicants should forward an up-to-date curriculum vitae to Laurence Penfold at Michael Page Finance, Savannah House, 11 Charles II Street, London SW1Y 4QZ. Fax: 0171 976 2592. Please quote ref 363742.



Michael Page Finance

Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

Head of Audit (Worldwide)

Major Multinational

London

To £100,000 + Bonus

This blue-chip multinational is a household name and major FTSE 100 company, recognised as the pre-eminent organisation within its sector globally. Group interests encompass joint ventures, third party relationships and major wholly owned subsidiaries.

The audit function is substantial and provides a broad service that ensures appropriate control mechanisms are effective, whilst also generating operational improvements and efficiencies.

The Head of Audit will focus on:

- developing a risk assessment methodology that is effective within a complex, fast moving and IS critical environment;
- ensuring that standards, procedures and techniques compare favourably with best practice and are benchmarked regularly;
- promoting a positive customer service ethos to ensure constructive relationships;

- continuing to raise the profile of the department which is seen as offering a structured and rapid career development path.

Aged 32-45, the successful candidate will have at least five years' experience of managing an international audit function. Outstanding communication skills, proven management ability, a powerful intellect and strong commercial acumen are essential qualities for success within this demanding and competitive environment.

Promotion to other key financial management or possibly operational roles is expected within this world leader, which has an excellent reputation for career development.

Please send a full CV in confidence to GKRS at the address below, quoting reference number 744J on both letter and envelope, and including details of current remuneration.



SEARCH & SELECTION

86 JERMYN STREET, LONDON SW1Y 6JD. TEL: 0171 468 3800
A GKRS Group Company

Finance Director Investment Bank

City

£ Excellent plus Equity

Our client is a specialist investment bank with an international reputation. A leader in its field, its activities encompass equity research, brokerage and trading, corporate finance, both advisory services and capital raising, and investment management. It services a broad client base of investors, corporations and governments in Europe and North America. Due to increased business activity and a recent re-organisation, there is now a requirement for an experienced, talented individual to join the management team as Finance Director.

This role is a senior appointment and the individual will be required to play a leading role in the overall management of the firm, influencing beyond the traditional remit of the finance function. Responsibilities will include all aspects of finance including budgeting, asset/liability management, remuneration structures, financial accounting, management reporting, corporate engineering, taxation and regulatory issues.

Candidates must be able to demonstrate a superior intellect combined with the practical qualities of an effective businessman. They must possess relevant current experience of managing the finance function within an investment banking environment. They should bring a thorough understanding of the mechanics, economics, risks and market practice of the international capital markets. An ability to effect improvement and provide direction in a collegial environment is essential.

This is a rare opportunity to be part of a progressive management team and to influence a dynamic growing investment bank. The remuneration package will include a substantial performance related bonus and participation in the ownership of the business.

Interested candidates should contact Paul Wilson, Director, Michael Page City on 0171 269 2312. Alternatively, please write to him, enclosing a full curriculum vitae at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LN. Fax 0171 405 9649.



Michael Page City

International Recruitment Consultants
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Secure large Russian Company looking to fill immediately the following position.

Quality Packages guaranteed to successful candidates.

- Restaurant manager
Minimum four years experience
Responsible for ensuring quality standards for food and beverage production.
- Qualified chef
Preferred candidates English,
Belgian kitchen background with minimum five years experience.

Qualified candidates forward their CVs to:

Menatep Bank,
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Moscow, Russia.
E-mail: om305@menatep.menatep.ru

Package c. £60,000 + benefits

Fast Moving Consumer Products

South West

Finance Director

Significant opportunity for an ambitious and talented finance professional, where success will lead to a more substantial finance or general management role within this highly successful and acquisitive group with a market capitalisation of £1.3 billion. Work closely with the Managing Director of this profitable £50 million division to capitalise on its market domination in this fast-changing dynamic sector.

THE ROLE

- Reporting to Managing Director, ensure the provision of high quality financial and management information through a 30+ team to add value to operational and strategic decisions.
- Drive through refinements to business processes to increase margins and reduce costs. Contribute positively to IT development. Forge excellent cross-functional relationships and build a strongly motivated team.
- Proactively influence colleagues and deliver high quality strategic advice to ensure an innovative customer-focused business, capable of responding to rapid market changes and technological advances.

THE QUALIFICATIONS

- Qualified Accountant, probably a graduate. Technically excellent, with experience of managing a finance team in a complex environment, ideally in the retail, FMCG or service sectors.
- Knowledge of using systems and processes across the entire supply chain to deliver market-leading, cost-effective products. Experience of contributing to broad strategic policy development.
- Excellent analytical and evaluation skills linked to innovative solution generation. An influential relationship builder and accomplished team player with the energy, drive and ambition to progress within this exciting environment.

Leeds 0113 230 7774
London 0171 298 3333
Manchester 0161 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. F41790774,
Addington Court, Greenacre Business Park,
Royal Road, Manchester M20 2JG.

To £150,000 package + benefits

Major National Branded Business

Northern England

Group Financial Controller

Major influential role at the centre of a £ multi-billion UK group which is poised for a period of change as it refocuses on and grows its highly profitable market-leading core businesses. Support the Group FD in delivering a robust yet responsive financial management and control service and work closely with the Board as it restructures and reorganises the business.

THE ROLE

- Key member of the Group's senior management team with overall responsibility for financial control, budgets, management reporting and statutory accounting, supported by a small, high quality team.
- As a principal member of the Group FD's team, provide control and accounting leadership to promote best practice in the operating divisions.
- Prepare financial appraisals and a business critique of all major capital and other proposals submitted to the Board.

THE QUALIFICATIONS

- Commercially astute and technically able graduate accountant, aged mid 30s+, with Group Controller and divisional board level experience with a sizeable, fast-moving multi-site business.
- Excellent team leader with strong people development skills. A change agent comfortable in a dynamic, evolving environment.
- First-class communicator, able to build effective networks within group, the divisional teams and external advisors. Potential to progress to main Board.

Leeds 0113 230 7774
London 0171 298 3333
Manchester 0161 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. F41790774,
16 Grosvenor Place,
London W2 2ND

KEY FINANCE APPOINTMENTS

Major Roles in the World of Communications

Central London

Cable & Wireless Communications has been formed through the powerful combination of Mercury Communications, NYNEX CableComms, Bell Cablemedia and Videotron. This major new force in the sector has a combined turnover in excess of £2 billion and offers an unparalleled range of integrated telecoms, entertainment and information services to consumer and business customers throughout the UK. There is currently a requirement for two key individuals who will play significant roles in ensuring that the company takes full advantage of all opportunities in this demanding and dynamic sector.

Controller - Finance Planning & Analysis

THE POSITION

- With a team of 12, take control of the planning, forecasting and analysis activities to enable the organisation to improve profitability and take advantage of commercial opportunities.
- Provide a significant input to strategic planning and take full responsibility for the one and three year financial plans.
- Set performance targets for all operational business units in order to ensure achievement of the strategic goals.
- In an organisation constantly driving change, develop appropriate integrated planning and forecasting mechanisms by identifying the key drivers.

QUALIFICATIONS

- A high calibre accountant with the ability and desire to thrive in a fast moving environment, experience of operating in a high growth organisation and the ability quickly to acquire a conceptual commercial understanding of a complex industry.
- Experience of operating at the most senior levels and keen to apply first rate planning and analysis skills in a new setting with outstanding future career development opportunities.
- Organisational and influencing abilities complemented by a flexible yet professional style and the ability to lead and motivate a high calibre team. Ref 2276

Interested candidates should write, quoting the relevant reference number, enclosing full career and salary details to the advising consultants John Anderton or Jon Boyle at Questor International, 3 Burlington Gardens, London W1X 1LE. Fax 0171 287 5457. E-mail John@questorint.com

QI
QUESTOR INTERNATIONAL

Cable & Wireless Communications, part of Cable & Wireless, was formed through the merger of Bell Cablemedia, Mercury Communications, NYNEX CableComms and Videotron.

c £75,000 + Benefits

Controller - Business Units

THE POSITION

- Work closely with the Managing Director of two business units (Business and Consumer), providing the financial input to business related decisions and ensuring the overall financial integrity of the operations.
- Advise these business units on performance monitoring analysis and planning/forecasting processes.
- Develop sales/commission schemes in line with the company strategy and support targeting processes in order to ensure that plans are achieved.
- Support senior management in the production of all business cases including new pricing, content and product proposals.

QUALIFICATIONS

- Excellent commercial awareness with the ability to identify the key drivers in a rapidly changing industry and develop new business models which help deliver real competitive advantage.
- Outstanding analytical skills combined with the ability to think strategically and make sound commercial decisions.
- The ability to communicate at all levels of the business and provide direction for a highly motivated professional team of 15, in addition to the ambition to pursue a career, either in finance or general management, within a market leading organisation. Ref 2277

Director of Business Review and Audit

'HIGH LEVEL SENIOR EXECUTIVE ROLE OFFERING PROFESSIONAL CHALLENGE AND WIDE RANGING RESPONSIBILITY'

British Energy, is one of the UK's leading energy businesses, producing around one-fifth of the country's electricity. Floated in 1996, this £1.8 billion turnover group enjoyed a successful first year as a listed concern and aims to be a world class energy company expanding from its UK nuclear generation base by building a portfolio of UK and international energy related businesses.

At this key stage of its development, the Group now seeks to appoint a top professional to direct its Business Review and Audit function. Reporting to the Board through the Group Chief Executive, you will lead and manage a team, primary responsibilities being to: evaluate and report on Group systems and procedures; develop recommendations to improve control, generate efficiencies and cost savings; and undertake and report on special review projects in key areas of the business.

A commercially aware qualified Accountant, you will have extensive audit experience, gained either through line finance exposure, leading an established internal/operational review department, or through substantial direct client exposure at Senior Manager level from within the profession. An accomplished leader and manager, with strong communication, influencing and motivational skills, you will have a proven track record of implementing effective and lasting change in a demanding environment.

This is an excellent opportunity for an ambitious individual and career prospects are quite outstanding. If you see the potential of this challenging role as a means of further developing your already successful career, please write enclosing full career and current salary details to our advising consultant, Mark Cantlan, quoting ref MD5587 at Macmillan Davies Hodes, Calls Landing, 36-38 The Calls, Leeds, LS2 7EW or telephone for a confidential discussion. Tel 0113 200 1113. Fax 0113 246 1365.

British Energy

Edinburgh

Substantial salary and benefits package



Macmillan Davies Hodes

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Head of Finance

Hungary

Excellent Package

Our client is an international chemical company with annual sales exceeding \$4bn, over 80 operations worldwide and employing in excess of 6000 people. Through a successful program of acquisition and organic growth, the company has established itself as a leader in its field. Revenue from its European operations has increased by 300% in the last seven years and is set for further major growth by the year 2000.

As a result of these growth plans, the company seeks to recruit a Head of Finance for the Hungarian operation. Responsibilities of the role include the following:

- Implementation of the group company's computing systems.
- Training and development of the existing finance team.
- Monthly reporting locally and to the European Head Office based in the UK.

- Budgeting and forecasting.
- Compliance with Hungarian statutory reporting and taxation requirements.
- Treasury management for the Hungarian company.

The successful candidate will be a qualified accountant with experience of working for a multinational manufacturing organisation. The individual must be able to demonstrate the qualities necessary to work in a multicultural team, together with the maturity and enthusiasm to succeed in a challenging business environment.

Interested candidates should forward a comprehensive curriculum vitae, quoting reference number 355868 in strictest confidence, to Peter Gerrard at Savannah House, 11 Charles II Street, London SW1Y 4QZ. UK or fax +44 (0)171 976 2612.



Michael Page Eastern Europe
International Recruitment Consultants

Exciting International Opportunity: Financial Controller

Cyprus Based - Attractive Salary Package

ANR AMER Nielsen Research, part of ACNielsen - the world's largest provider of market research services, is the leading supplier of ad hoc and continuous market research in the countries of Central and Eastern Europe with more than 1300 full-time associates.

To meet the needs of a large and still expanding organisation we seek a Financial Controller based in our headquarters in Nicosia, with extensive travel in Eastern and Central Europe.

Profile

You are ambitious, flexible, love to travel, proactive with good communication, PC and personal interactive skills. You have an Accounting Qualification (CIMA, Chartered, ACCA, CPA) and at least five years post qualification experience in industry.

Position

You will be implementing and monitoring standard group policies and procedures, offering financial co-ordination and support for the whole of the ANR region's activities and responsible for producing monthly consolidated group management accounts to strict timetable. You will be reporting to the Finance Director.

If you recognise yourself from this description and would like to take on this exciting challenge, please send your complete CV by 22 August 1997 to:

Nicos Anastasiou
ANR, AMER Nielsen Research
29 Kallipoleos Street
1071 Nicosia, CYPRUS
Fax: 357 2 758005

ANR
AMER Nielsen
RESEARCH

Investment Executive

Intermediate Capital Group Plc is the leading provider of mezzanine finance in Europe. Since its establishment in 1989 ICG has invested over £575m in 90 companies throughout the UK and continental Europe. In June 1994 ICG was successfully floated on The London Stock Exchange.

Focusing on unquoted companies, ICG provides finance for MBOs and MBIs, development and expansion capital and acquisition finance. ICG's continuing success and its plans for the future necessitate the recruitment of another manager. Your responsibilities will include researching and evaluating investment opportunities, structuring deals, completing transactions and monitoring the performance of investments. You will also be expected to market effectively to financial institutions and potential investee companies.

ICG wish to recruit an ambitious and confident individual with a strong academic record. Aged between 26 to 29 years, you are likely to be from one of the following

backgrounds: a development capital institution, an international firm of accountants, a merchant bank corporate finance department, a bank acquisition finance department or a management consultancy. European languages would be of particular interest.

Career prospects are excellent, with progress to the most senior levels expected. Remuneration will be highly attractive and commensurate with your skills and experience.

If you are interested in this exceptional opportunity, please send a comprehensive CV (including current salary details) to our retained consultant Chris Persson of Executive Connections, 43 Eagle Street, London WC1R 4AP (Fax: 0171 304 9001) if you have any questions, then please do not hesitate to call him on 0171 304 9000. (evenings/weekends 0181 948 2093). E-mail: icg@executive-connections.co.uk

FINANCIAL CONTROLLER

A LEADING GLOBAL COMMODITY TRADING AND FINANCIAL MARKETS COMPANY

COMPETITIVE PACKAGE

BASED MOSCOW

THE COMPANY: Our client is one of the world's largest privately owned companies successfully dealing in commodity origination, commodity trading and financial markets. Established more than a century ago, the company operates 1,000 business sites worldwide across 67 countries, employs more than 75,000 people, and had a turnover in 95/96 of well over \$50 billion.

Our client is committed to further expansion in the Russian market as it views this as one of the fastest growing business arenas in the world. As part of this expansion, they wish to recruit a finance professional for their busy commercial trading office.

THE ROLE: The Trading Controller will work closely with commodity traders and will have responsibility for the following:

- Managing a team of accountants
- Running Russian and GAAP financial systems
- Accounting, budgeting and forecasting
- Financial planning and analysis of monthly/quarterly cash flows
- Regulatory and tax reporting
- Advisory liaison with product account managers and traders.

THE PERSON: This is an opportunity for an ambitious and enthusiastic individual looking to develop a career with excellent long-term prospects. You will have:

- Strong interpersonal skills as a prerequisite operating in a multicultural environment
- Russian as a native language with fluent English
- An international perspective
- A strong academic background in business or finance
- Accounting, audit or finance as a professional background
- Two to three years in financial management in a Western company or a commercial representative office
- Experience in accounting for multi-product accounts would be an advantage.

This position will enjoy a competitive remuneration package with associated benefits.

Candidates who are interested in this position should forward their resume to our London or Moscow office, quoting clearly, reference number F13142 on ALL correspondence. All applications will be treated in the strictest confidence.

Antal International: Parus Business Centre, 23 1st Tverskaya-Yamskaya Ul. Moscow 125047, Russian Federation. Tel: (095) 935 8608 Fax: (095) 935 8607. E-mail: antalrus@online.ru
 Antal International: Shropshire House, 1 Copper Street, London WC1E 6JA. Tel: (0) 171 637 2001. Fax: (0) 171 637 0849 or visit our web site on www.antal-int.com



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MANAGER - CORPORATE REPORTING

Quoted International Company

Central London

Our client is a quoted International Transportation Group with a turnover in excess of \$1 billion, operating through a worldwide network of offices and facilities. The Group has made substantial progress towards its goal of achieving market leadership in a range of niche industries, which require unique levels of technology and customer service and complement its successful and established core business. A strategy of targeted acquisitions coupled with profitable growth will be vigorously pursued over the next few years.

The appointment of Manager - Corporate Reporting will be a highly visible role within the Group's Corporate Function.

Based in prestigious Central London offices and reporting to the Chief Financial Officer, you will manage a team of Qualified Accountants, with responsibility for overseeing all aspects of the Group's internal and external reporting process. This will include reviewing all monthly and quarterly internal

£50,000 - £60,000 + Car + Bonus

reports, external reporting to shareholders and regulatory reporting. You will also be involved in the development of new systems, and will provide technical advice and guidance to the Accountants and Controllers of the Group's worldwide operating subsidiaries on all accounting policy and related issues.

Additionally, you will work closely with the Chief Financial Officer on a wide range of business issues such as mergers, acquisitions, joint ventures, public offerings and financings.

For this appointment we are seeking a high calibre graduate Chartered Accountant (or CPA), aged 33-40, with excellent technical experience gained either in practice or in industry, including exposure to complex international multi-currency consolidations and US GAAP. You will have proven management, organisational and communication skills and a good knowledge of personal computers and related software.

If you wish to be considered for this exceptional appointment with career progression within the Group, please call our advising consultant, Suzanne Smycher, on 0171 209 1000 (in the evenings on 0171 286 2668). Alternatively, please send/fax your CV to her at FSS Financial, Charlotte House, 14 Windmill Street, London W1P 2DY. Fax: 0171 209 0001. E-mail: ss@fss.co.uk Please quote reference FT021.



AUDIT MANAGERS

PARTNERSHIP PROSPECTS FOR LEISURE, ENERGY & REAL ESTATE SPECIALISTS

TOP SIX FIRM

EXCELLENT PACKAGE

LONDON

Our Client is a major international practice which needs little introduction. Its exceptional recent growth, its pioneering technical ideas and its emphasis on empowerment and early responsibility combine to create a very rewarding working environment. Audit managers here are valued for their commercial input, the originality of their thought and the quality of their independent decision making.

Partnership is very much open to outside recruits and the firm's increasingly prominent position in the energy, real estate and leisure sectors has created the need to strengthen the team with a small number of high calibre specialists who will manage an attractive portfolio of work and be expected to become future leaders in these fields.

Candidates will be top flight Chartered Accountants, probably in their late 20's/early 30's. They will have

developed strong audit skills within a leading practice and will have had particular exposure to one of the above sectors. Applications will be welcomed not only from supervisors and managers within the Profession but also from individuals currently undertaking the audit or accounting roles within industry. In either case you should be a robust, flexible and talented leader with commercial flair, sound judgement and a hunger for career success.

Candidates should write to Paul Carvosso enclosing a detailed CV, including current salary details, at Howgate Sable & Partners, 35 Curzon Street, London, W1Y 7AE. Tel: 0171-495 1234, Fax: 0171-495 1700. Please quote ref: FT7003. All applications will be treated in the strictest confidence.

Internet: <http://www.topjobs.net/howgate>



Howgate Sable & Partners

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We are a recognised high growth US company, expanding into the UK. We target global corporations as well as FTSE 1000 corporations. We are the premier leader in accounts payable auditing. Corporations count on us to identify and recover lost profits on a regular basis.

We seek accounting professionals with 5+ years experience to market and introduce our proven cost-saving services and build dynamic business relationships with decision makers in major corporations throughout the UK. Excellent compensation opportunity & profit incentives.

If you are self motivated, with high energy levels, a "can-do" attitude, computer literate, professional appearance, enjoy people, possess excellent communication skills, entrepreneurial outlook on life and have leadership ability, we want to meet with you. University degree in Business/Accounting or Marketing desired.

Interviews will be held the weeks of August 4th and 11th in the London area. West End location.

Please send CV and salary history in strictest confidence to:



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 211 Piccadilly, London W1Y 9LP
 Phone 0171 917 2733 Fax: 0171 917 2734
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Business Manager

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£30,000 p.a. (currently tax free) depending on qualifications and experience + overseas allowances and free accommodation
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Ascension Island is situated just south of the Equator in the middle of the South Atlantic. The BBC World Service has one of its major transmitting stations on the island. As the island has no indigenous population, the local infrastructure is provided via the main island users. The BBC, therefore, also - through a co-operative agreement with other island users setting up Ascension Island Services - plays a part in the provision of general island services.

The changing requirements of AIS, and the need to provide an increasingly commercially oriented service to island users, means that we are now looking for a Business Manager to work directly to the Senior Manager AIS, assisting him with financial and commercial strategy and planning for the future of the organisation.

You would be responsible to the Senior Manager for:

- long term strategy
- development and delivery of all business planning and resource planning
- overseeing professional commercial development
- the negotiation and management of all resource and business contracts
- providing accurate reports and financial analysis
- the operation of financial management systems
- the financial management support team

You must:

- hold an accounting qualification (CAB)
- have extensive commercial financial management experience
- have resource management experience

You will need to:

- demonstrate that you are able to operate effectively as part of the management team
- have well developed negotiating and influencing skills
- be IT literate with experience of implementing systems change

For further details and an application form, contact (quoting ref. 25212/F2) BBC World Service, Recruitment Office, Room 111 NE, Bush House, Strand, London WC2B 6PH. Tel: 0171-257 2948. Application forms must be returned by 18th August. It is expected that the interviews for this job will be held in the second week of September.

You can also see this vacancy on <http://www.bbc.co.uk/jobs/e25212.htm>

AUDIT & TREASURY

INTERNATIONAL CAREER OPPORTUNITIES

USA/GERMANY

Elsag Bailey Process Automation is a global supplier of distributed control systems, process instrumentation, analytical products and professional services with revenues of US\$1.7 billion and operating units in over 25 countries. The Corporation has tripled revenues over the past 4 years through both acquisition and organic growth. Regional headquarters are located in Genoa, Frankfurt, Singapore and Cleveland (Ohio). Three exceptional career opportunities are available - within Internal Audit and Group Treasury. The recently established International Audit Department performs both operational and financial reviews and special projects, adding value to a complex business operating in a highly competitive environment. For the Audit positions about 50% business travel will be necessary.

INTERNAL AUDIT MANAGER

Located in Frankfurt and reporting to the Audit Director, the International Audit Manager will plan, implement and report on reviews and projects in Germany and other European locations supervising an assistant. The successful candidate should have a reasonable knowledge of German, a professional qualification and a minimum of 4 years audit experience. Ideally candidates will have experience in auditing manufacturing or technology organisations and will have demonstrated their ability to add value to a business.

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Working from a Cleveland base and reporting to the US Audit Manager, the Senior will cover operating units throughout the Americas and Asia Pacific. The position will appeal to graduates with a business or financial qualification who have a minimum of 2 years relevant internal or external audit experience. Multinational industry experience and language skills will be an advantage.

TREASURY MANAGEMENT

In Cleveland, this individual will manage the Regional Treasury Centre covering units throughout the Americas. Reporting to the VP, Treasury directly responsible for cash management, bank relationships and foreign exchange management, he or she will contribute to the annual Treasury Operating Plan and will establish/monitor treasury policies. Successful candidates will have a minimum of 3 years US Corporate Treasury experience within a multinational group, and an ideally MBA in finance.

Candidates for all positions must be highly motivated with good communication skills. Competitive packages will be offered with relocation assistance where necessary. Please mail or fax a comprehensive CV and details of present remuneration to:

Warwick McLintock Ltd., EBC House, Kew Road, Richmond, Surrey TW9 2NA. Tel: 0181 940 4900 Fax: 0181 940 6524



CORPORATE FINANCE DIRECTOR

London/
 Essex Border

£Excellent

Following six years of discreet privately funded research and development, The Children's Commission plc was incorporated in 1996 and is likely to evidence itself as the most fundamental development in the field of childcare since the passing of the Children Act 1989. Our achievements so far provide testimony that commerce can operate effectively and in complete harmony with such an emotive trading area. Most of the business activities of the Company are conducted through its subsidiary organisations, many of which operate in partnership with well established, eminent organisations employing between them some 25,000 personnel and having cash resources in excess of £500 million.

The company is scheduled for public launch this winter at which function some 5,500 guests will be invited to attend to mark the attribution of the first, up to £1 billion of privately sourced funds towards our children's care and education in the UK.

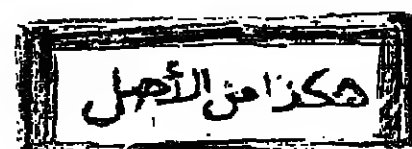
Arising from the material growth of our portfolio, which addresses the developing market of the business of childcare and education, the Company now seeks to appoint a main board director. A qualified Chartered Accountant, ideally with a high quality service industry background, you will have management responsibility of a substantial cash turnover and be responsible for the revenue reporting procedures of all subsidiaries and business partners. With

strong business acumen and entrepreneurial ability you will possess an outstanding track record in addition to a high level of self motivation and excellent communication and organisational skills.

We offer a very generous remuneration package that includes substantial share options and a profit related annual bonus. This is an exceptional and unique opportunity for a results driven and innovative individual.

For further information please contact our Recruitment Advisor Wendy Bryan or write enclosing your cv to Hays Accountancy Personnel, 1-5 High Street, Romford, Essex RM1 1JL. Tel: 01708 752878. Fax: 01708 752652.

Hays Accountancy Personnel



Senior IT Appointments

Head of International Markets – Order Handling

Excellent Salary + Bonus + Benefits

Our client is one of the largest providers of international financial information, delivering news, real-time data, sophisticated analytics and extensive historical information for the world's financial markets.

The company wishes to recruit a senior global marketer to lead its Order Handling activities, capitalising on recent changes in both equity market practice and technology to produce a range of new products and capabilities for its clients in the global financial marketplace.

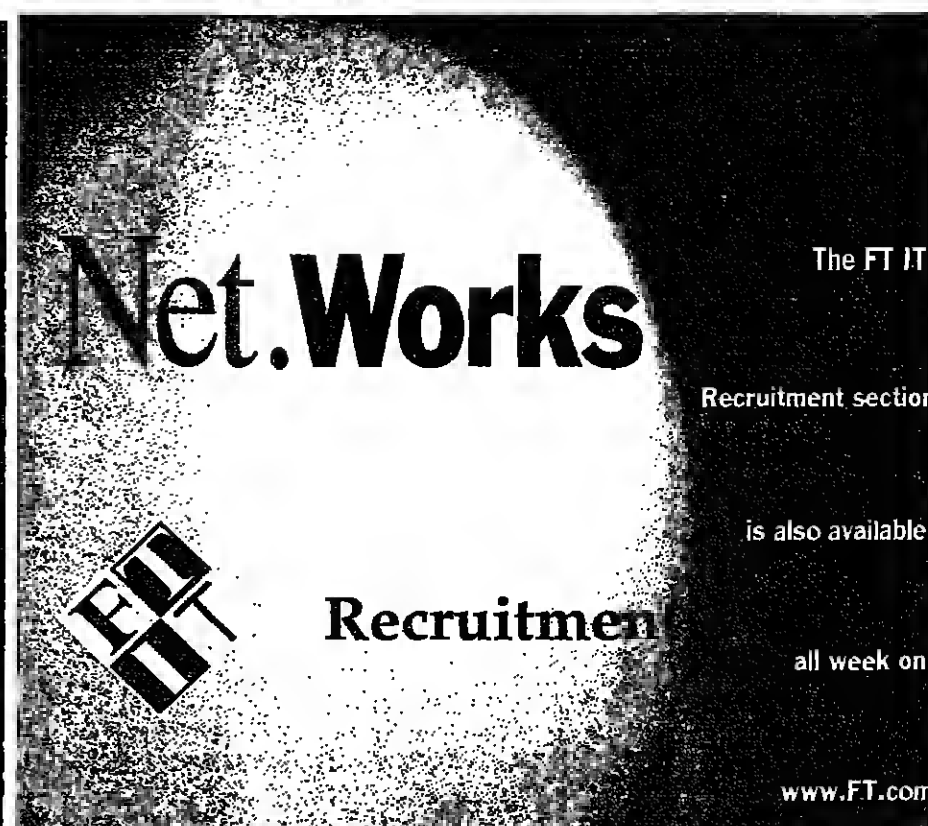
The ideal candidate will have:

- The financial market experience required to understand the needs, motivations and strategies of major global financial institutions.
- A detailed knowledge of the marketplace drivers, processes and technology associated with Order Handling, and equity markets, probably gained through hands-on implementation experience either within or for a financial institution.
- The ability to translate and guide these inputs into plans for commercially viable end products for the investment community, working as part of a multi-disciplinary team.

This is an excellent opportunity to join a large and fast expanding financial information provider. A first class academic background, coupled with a sound knowledge of Order Handling and management is essential. At least ten years' experience is required to fulfil this challenging and demanding role. This is a key position providing enormous potential at senior level to contribute to the overall business growth of the company.

For a confidential discussion please contact Edward Hunter Blair, Tel: 0171 236 2400, Fax: 0171 236 0316 or apply in writing to Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

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The FT IT Recruitment section is also available all week on www.FT.com

SAP Project Team North West

£Negotiable + Competitive Benefits

This exciting opportunity represents a chance to be part of one of the largest and most complex SAP R/3 Financials implementations undertaken in the UK. We are looking for high quality, success-minded individuals with proven track records in previous project work to join our team.

The roles we are looking to fill are:

- systems accountants, who will be experienced business analysts with possibly an accounting qualification;
- technical specialists covering a wide range of skills, including analysis and development;
- database administrators;
- change management and training specialists

Ideally the candidates will be graduates who have significant experience of complex financial system implementations. They will also be able to demonstrate that they can work on their own initiative and deliver quality results within tight deadlines. Good communication skills are essential and although previous SAP experience is not a prerequisite it would be an advantage.

Interested individuals should send their CV, including current salary details to:

Box A5475, Financial Times,
One Southwark Bridge, London SE1 9HL

Closing date for receipt of applications is 10th August 1997.

PURCHASING MANAGER

One of the largest Divisions of a leading UK based, world-wide Financial Services Group, is seeking an experienced, top-flight purchasing professional to head up its purchasing and supplier management activities.

The individual, who will be responsible for the development and implementation of purchasing strategy, and direction, selection and management of suppliers together with appropriate supporting infrastructures, including IT, will have a track record of successful purchasing and supplier management with at least one major organisation. Retail sector experience would be an advantage.

The job will involve regular contact at Managing Director level across the businesses and will require, in addition to well developed supplier management expertise, first class interpersonal and communication skills.

Current expenditure with preferred suppliers is already substantial but there are opportunities for refinement, growth and, in some area, radical change. Successful accomplishment of the role is expected to have a major impact upon the Company's bottom line.

Whilst the successful applicant will be based in London there will be extensive travel, primarily within the UK.

Package and benefits will be commensurate with the experience, personality and potential of the successful applicant.

Interested individuals should send their CV, including current salary details to:

Box A5476, Financial Times, One Southwark Bridge, London SE1 9HL



RDBMS/GLOBAL MARKETS

SALARY NEGOTIABLE

The Chase Manhattan Bank is one of the world's leading financial institutions with a global presence in over 50 countries.

Chase's Global Banking franchise provides clients with a range of commercial and investment banking capabilities and has a major sales and trading operation in the United Kingdom. Global Markets Technology Division (IT) provides the support and development of these businesses.

An opportunity exists for an experienced Analyst/Designer to work as part of the CAD Team within Global Markets Technology.

The group's objective is to develop and support a new regulatory system which contains essential financial information for all of the bank's major trading products and the development of risk measurement systems, in accordance with the EU Capital Adequacy Directive.

Expansion is planned to extend the scope and usage of the regulatory system as part of the bank's future financial architecture.

Your brief will involve working closely with Finance and Business users, determining requirements, designing systems solutions and specifying programs and database changes.

Responsibility will also be great for small and medium size development projects through the full development cycle, including development, test, deployment, maintenance and QA.

SKILLS

• Good experience in use of Oracle, C++, and Visual Basic, including Designer 2000 and Developer 2000. (Experience using an alternative relational database will be considered.)

• Sound grounding in Structural Methodologies.

• Awareness of a broad range of trading products e.g. Bonds, Equities, Swaps, FRAs, Futures and Options.

• General knowledge of accounting procedures, general ledger, profit and loss acc.

• Experience of regulatory reporting systems such as CAD, BSO, BSR.

• Preferably educated to degree level in a numerical discipline with excellent written communication skills.

• Ideally, candidates will possess most of the above requirements, however highly competent individuals with a subset of these skills, and an ability to learn new technology and business will be considered.

To discuss this opportunity in strictest confidence, please call Jonathan Leigh during office hours on (0171) 335 0005, evenings and weekends on (01706) 705592.

Alternatively write with full career details quoting Ref 1991 to address below.

Headley Associates,
17 St Helen's Place,
London EC3A 4DE

Telephone: 0171 335 0005

Fax: 0171 335 0006

Mobile: 0973 317 330

e-mail: john@headley.co.uk

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The UK Division of our client has grown tenfold and more in the 90's. Now generating revenues in excess of \$600m pa and employing some 4000 people, it works with some of Britain's leading private and public sector organisations regularly winning new business.

This growth continues to create opportunities in the Finance and Administration function – primarily based in Hampshire. We are looking for a number of qualified accountants to join this group, mostly at a senior level in the central F&A management team or to head up the financial management of one or more major outsourcing contracts.

Each is a high profile influential role in the business, reporting to the VP Finance and responsible for the development and direction of an established team, usually employing several qualified staff.

Here, managers make things happen – especially in Finance. Commercially aware with a positive

record of achievement in roles of increasing management and financial influence, you must be a strong communicator who has developed and implemented reporting systems and robust business controls in a dynamic environment.

Your progress to date will have been enhanced by your leadership skills, your rigorous analytical ability and sound strategic contribution. First rate computer literacy is an essential requirement and international exposure will be valued.

Attractive and competitive salaries are on offer, underpinned by a high quality benefits package. Our client's continuing growth should ensure the prospects for your personal development.

To apply, please write enclosing your CV and current remuneration, to Mike Smith at MS Selection, Woodhurst, Coldharbour Lane, Pyrford, Woking GU24 8SL. Tel: 01932 834041.



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We are a management consultancy currently looking to fill a variety of positions in our rapidly growing Financial Industry Practice. We focus on solving complex multi-dimensional problems for large financial institutions. Currently our growth is fuelled by Customer Base Management and Risk Based Management services. In other words, our clients are taking a non-traditional approach toward managing their business. These non traditional approaches require a mix of expertise including decision analysis, business design and modelling, and information technology. Our value to the market lies in our ability to provide data expertise and management of the ongoing trade offs required for our clients to implement change.

Our firm is filled with people who are very bright, motivated, and able to leverage their colleagues in pursuit of results. Because we expect a great deal of innovation and imagination from them, we try to foster a culture that focuses on results as opposed to process. Our people have strong prior experience in pre-eminent academic environments that specialise in physics, mathematics, computer science as well as liberal arts. They have worked at firms known for expertise and innovation in investment banking, retail, and other non-financial organisations. Most importantly they have demonstrated a history of achieving a measurable body of work in their professional life. You would be challenged by clients, colleagues and business problems. Our work is certainly not dull.

If you are interested please contact us through our advising consultants.

Kindest regards

Mark Rodriguez, Managing Director, Finance Industry Group

For further information on the FTIT section
please call Mark Cunningham on +44 (0) 171 873 3761

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In Europe, AMS has over 1,200 staff in 13 offices. Revenue growth has averaged 97% in the last six years, making us one of the fastest growing of the top 20 European consultancies.

For a detailed discussion regarding any of the above positions please call our advising consultants quoting ref: FT/3/7/97. Parallel International, 1 Groveland Court, Bow Lane, London EC4M 9EL. Tel: 0171 236 4288 Fax: 0171 236 4277

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INTERNATIONAL

CURRENCIES AND MONEY

Brown strengthens sterling again

By Simon Kuper

The pound rose yesterday after Mr Gordon Brown, the UK chancellor, again hinted that he would take no action to weaken the currency. But trading was thin.

Mr Brown, asked whether he ruled out intervening in the currency market if sterling stayed strong, said: "What I am going to do is keep my eye on what matters more to industry and that is that we do not return to instability."

He said preventing a repeat of the boom-and-bust economic climate of the 1980s was more important to industry than the short-term level of the pound. Sterling also benefited from his apparent ruling out of an automatic mini-budget, which could conceivably have cooled consumer demand and thus staved off the need for further interest rate

releases. The pound had jumped last week after Mr Brown suggested to a parliamentary committee that he had little power to weaken it.

In late trading yesterday sterling was at DM3.0208 to the dollar and \$1.6404 to the dollar, 2 pence and 0.8 cents above Wednesday's London closing levels.

The dollar firmed marginally in late trading to DM1.8414 to the DM. But the German currency continued to receive support from talk that Germany might introduce a variable rate repo tender alongside its fixed rate tender. The market believes that a variable rate repo would make an interest rate rise more likely.

Last week the Bundesbank announced fixed 3.0 per cent repo tenders for the first time since 1992. The market believes that a variable rate repo would make an interest rate rise more likely.

repo tenders for just a fortnight, only half its summer break. The D-Mark rose another 1.5 against the lira to L875.5 yesterday.

The dollar remained within narrow ranges against the yen, closing in London at ¥118.4.

The market thinks the chances of a German rate rise are increasing while prospects of a US rise are falling. That has narrowed the spread between 10-year US and German bonds to about 65 basis points. In April the gap was almost twice as large.

However, currency strategists warned against overestimating the chances of German changing rates.

Mr Steven Englander, international economist at Smith Barney in Paris, said the Bundesbank may have publicly mooted a variable rate repo merely in order to stem the D-Mark's fall over coming weeks, while the

market think Washington may seek a stronger yen as a way of cutting Japan's large trade surplus with the US.

Mr Takao Tominaga, vice chairman and executive managing director of the Japan Automobile Manufacturers' Association, said yesterday that he did not want the yen to fall from its present level as that might annoy the US even more.

He also said his association's chairman "probably" sees an appropriate dollar/yen level of ¥110 to ¥120. Most in the market think this is also the level favoured by both Tokyo and Washington. That helps explain the market's fear of driving the dollar to ¥110.

bank's council is on holiday. "I think they are trying to talk, talk, but I am not sure they are going to walk, walk," he said. Recent German economic data have given little sign that the economy is strong enough to require rate rises.

Trade issues continue to dominate debate over the dollar/yen rate. Some in the

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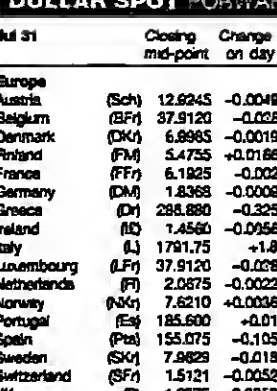
Trade issues continue to dominate debate over the dollar/yen rate. Some in the

The Dutch National Bank left its special advances rate unchanged at 3.0 per cent, equal with the German repo rate. Some strategists had expected the Netherlands to raise the rate by 10 basis points, as the Dutch economy is growing fast and the guilden fell fractionally to a 47-month low on Tuesday.

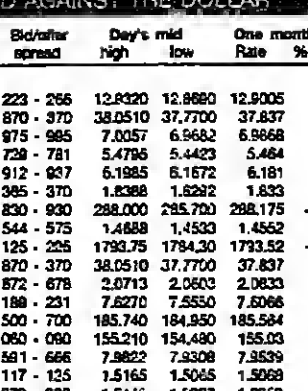
The market is so divided as to whether the UK will raise base rates next week that two polls yesterday made opposing forecasts.

4CAST, the economic consultancy, polled 71 dealing desks across Europe and found 62 per cent predicting no rate rise after the Bank of England's monetary policy committee meets next Wednesday and Thursday. But 16 out of 23 UK economists polled by Reuters said base rates would rise from 6.75 per cent. The market's doubt suggests that the final decision - whatever it is - should move the pound.

Australian interest rates



US Federal Funds Rate



WORLD INTEREST RATES

July 31	Over night	One month	Three months	Six months	One year	Long term	Dis. rate	Repo rate
Belgium	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	6.00	2.50	-
France	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3.10	-	4.75
Germany	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	4.50	2.50	3.00
Ireland	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	-	-	6.75
Italy	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	7.75	6.25	6.75
Netherlands	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	2.50	2.50	2.50
Switzerland	2 1/4	1 1/4	1 1/4	1 1/4	1 1/4	-	1.00	-
US	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	-	-	5.00
Japan	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	-	-	5.00

LIBOR FT London
Interbank Billings
US Dollar CDs
EDU Linked De
SDR Linked De

5 LIBOR interbank bill rates are offered rates for \$10m quoted to the market by four reference banks of which each working day. The banks are: Bankers Trust, Bank of Tokyo, Citicorp, Deutsche Bank and National Westminster.

LIBOR rates are shown for the domestic money market. US Dollar, ECU, SDR and SDR Linked Deposits (Oct).

Short term rates are call for the US Dollar and Yen, others two day notice.

THREE MONTH EURO DOLLAR FUTURES (Liffe) 100m points of 100%

Open	Settle	Change	High	Low	Est. vol	Open Int.
Sep	96.52	96.51	-0.01	96.53	96.51	72,078
Dec	96.42	96.41	-0.01	96.41	96.41	32,330
Mar	96.38	96.37	-0.01	96.38	96.31	26,745

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ONE MONTH EURO DOLLAR FUTURES (Liffe) 100m points of 100%

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POUND SPOT FORWARD AGAINST THE POUND

Jul 31	Closing mid-point	Change on day	Settle/offer spread	Day's Mid	One month	Three months	One year	Bank of England
Europe	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Asia	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Africa	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Americas	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Europe	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Asia	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Africa	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Americas	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Europe	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Asia	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Africa	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Americas	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jul 31	Closing mid-point	Change on day	Settle/offer spread	Day's Mid	One month	Three months	One year	J.P. Morgan
Europe	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Asia	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Africa	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Americas	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Europe	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Asia	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Africa	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Americas	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Europe	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Asia	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Africa	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2
Americas	121.988	+0.0092	536 - 736	121.994	21.0300	21.0004	21.0004	2.2

CROSS RATES AND DERIVATIVES

CROSS RATES CROSS RATES														
Jul 31	BF	DKr	FFf	DM	£	L	F	NKr	Es	Pta	SKr	SFr		
Belgium	(BF)	100	18.46	16.33	2.485	1.812	4726	5.453	10.20	488.6	409.0	21.00	3.988	1.61
Denmark	(DKr)	54.17	10	18.48	2.825	0.801	2520	2.654	20.62	222.1	11.38	2.168	0.44	0.14
France	(FFf)	21.82	11.20	10	2.96	1.10	2893	3.328	12.31	238.7	230.4	12.86	2.442	0.73
Germany	(DM)	20.84	3.810	3.371	1	0.374	976.3	1.126	14.70	84.43	43.33	0.823	0.33	0.10
Ireland	(£)	53.20	10.16	9.016	2.537	1	2638	3.916	11.70	225.4	11.52	2.292	0.46	0.14
Italy	(L)	2.118	0.931	0.948	0.103	0.038	100	0.111	0.425	10.36	8.955	0.444	0.084	0.02
Netherlands	(F)	18.34	3.385	2.993	0.868	0.332	888.6	1	3.688	89.7	75.50	3.851	0.731	0.23
Norway	(NKr)	48.75	19.63	18.26	2.400	0.801	2351	2.713	10	243.5	203.5	10.43	1.954	0.83
Portugal	(Pta)	20.43	3.771	3.328	0.950	0.370	955.4	1.114	4.108	10	85.25	42.50	0.815	0.33
Spain	(Es)	53.20	10.16	9.016	2.537	1	2638	3.916	11.70	225.4	11.52	2.292	0.46	0.14
Sweden	(SKr)	47.61	6.789	7.777	1.284	0.483	2850	3.916	9.571	235.1	109.7	1.869	0.37	0.11
Switzerland	(SFr)	25.07	4.626	4.095	1.195	0.444	1165	3.337	5.914	122.7	102.6	2.56	1	0.4
UK	(£)	82.08	11.48	10.14	3.008	1.125	2948	3.988	12.48	303.9	233.5	10.04	2.476	0.74
Canada	(C\$)	27.43	3.063	4.480	1.328	0.497	1298	1.498	5.53	134.3	112.2	5.761	1.084	0.44
Australia	(A\$)	39.71	6.899	6.185	1.857	0.687	1792	2.028	8.221	165.6	155	7.953	1.312	0.55
South Africa	(R\$)	49.72	10.16	9.016	2.537	1	2638	3.916	11.70	225.4	11.52	2.292	0.46	0.14
India	(Ru)	47.62	7.319	6.951	2.077	0.538	1792	2.221	8.105	193.8	191.5	5.952	1.89	0.74

COMMODITIES AND AGRICULTURE

Investors back Eramet's independence

By David Owen in Paris

Institutional investors last night celebrated a victory for French shareholder democracy after measures reinforcing the independence of Eramet from its state-owned majority shareholder were approved at the mining group's Paris annual meeting.

The meeting also strengthened the position of Mr Yves Rambaud, Eramet, who had resisted a government plan to strip the company of a nickel concession in New Caledonia. France's previous centre-right

government wanted to give the Koniambo concession to a company controlled by Kanak nationalists in the French overseas territory, which faces a referendum on whether or not to separate entirely from France next year. When Mr Rambaud opposed the plans, the government tried to replace him.

One of the main consequences of yesterday's vote will probably be an improvement in the standing of France's new Socialist-led government in the eyes of international investors, at a time when it is mul-

ling whether to sell other state assets such as a minority interest in France Telecom.

"We are very pleased at the results in this particular situation and are hopeful that this will have a carry-over effect on corporate governance and related issues in France and the rest of Europe in future," said Mr Peter Clapman, chief investment counsel for Cref, the world's biggest pension fund.

Cref, which manages the retirement assets of professors and staff in US colleges and other educational institutions, has 206,000 Eramet shares, equivalent to a stake of 1.33 per cent.

Yesterday's meeting approved the nomination of a new 18-strong board of directors, including five independents, and secured the adoption of a corporate governance code placing a duty on directors to abstain in cases of conflict of interest.

It also ensured that, should the new government decide to take action on the Koniambo concession, a valuation would be determined by "a college of experts of international repute".

Mr Lionel Jospin, the new Socialist prime minister, has ordered a study on the economic and industrial perspective of the nickel issue before the end of the summer.

The previous Juppé administration supported a plan by SAMP, a company controlled by Kanak nationalists, to build a smelter with Canadian mining group, Falconbridge, using nickel from Eramet's concession.

Eramet shares climbed FF11.90, or 3.7 per cent yesterday, to FF133, after an advance of FF11.10 on Wednesday.

Fears of LME 'squeeze' Floods hit grains production

Floods hit grains production

MARKETS REPORT

By Kenneth Gooding and Robert Corzine

The strong rise in aluminium prices on the London Metal Exchange and the metal's move into backwardation - where there is a premium for metal for immediate delivery - is causing some traders to suggest that another LME "squeeze" is on the way.

The premium for aluminium for immediate delivery, compared with three-month metal, increased to \$40 a tonne yesterday compared with \$30 at the beginning of this week. The three-month aluminium price ended the day \$4 a tonne higher at \$1,701.

In the past three weeks aluminium prices have risen by 10 per cent from the bottom of the recent trading range for three-month metal to break through \$1,700 a tonne, previously the top of the range.

Mr Jim Lennon, analyst at Macquarie Bank of Australia, said heavy fund buying has been driving the rally and consumers have largely been absent from the market. "Most of the activity has been in nearby prices and gains in further forward

prices have been restricted by continued producer selling," he said.

He suggested that the targets of the squeeze are traders who hold large volumes of uncovered call options - options that give the buyer the right to purchase a particular futures contract at a specific price within a specified period of time - at \$1,700 a tonne. "If the price climbs above \$1,700, some traders are looking at a target of \$1,900," he said.

Mr Lennon said that engineering a squeeze in the aluminium market would be fraught with danger because there could be as much as 500,000 tonnes of the metal in "hidden" stocks, which could be released to the market if it stayed in backwardation very long.

Oil prices shed much of Wednesday's gains yesterday as the prospect of a resumption of Iraqi exports reasserted its influence in the markets. The price of the benchmark Brent Blend for September delivery was down about 30 cents in late trading in London to \$18.70 a barrel. The United Nations is expected to soon complete its review of the new Iraqi oil distribution plan, the main stumbling block to renewed exports.

By Gary Mead

The severe flooding in central Europe will significantly reduce grain production in countries such as Poland, the Czech and Slovak republics, and Romania, experts said yesterday.

The region's worst flooding for many years had caused enormous damage to arable farming. "It's too early to say exactly how much the harvest will be affected in terms of quantity, but it's absolutely clear that their quality will be seriously damaged," said one grain specialist.

The International Grains Council in London published its latest world grain estimates for the current season, and conservatively revised downwards its forecasts for central Europe.

The IGC now projects that wheat production for the region will be down by 1.5m tonnes, to 32.4m tonnes at the start of July its estimate was 33.9m tonnes. However, the reduced figure will still be considerably higher than the 28.3m tonnes harvested in 1996. The biggest improvement this year is in Romania, although it too has been deluged. Romania is expected to produce 7.1m tonnes this year against 3.2m in 1996.

However, Poland, which along with eastern Germany has been the most badly

Central/Eastern European production (million tonnes)

Country	1996	1997	1998	1999	2000
Bulgaria	1.2	2.5	2.5	2.5	2.5
Czech Republic	3.7	3.7	3.7	3.7	3.7
Hungary	3.9	3.9	3.9	3.9	3.9
Poland	8.5	8.5	8.5	8.5	8.5
Romania	3.2	7.1	7.1	7.1	7.1
Slovakia	1.9	1.9	1.9	1.9	1.9
Slovenia	1.5	1.5	1.5	1.5	1.5
Yugoslavia	1.5	1.5	1.5	1.5	1.5
Other	1.7	2.0	2.0	2.0	2.0
Total	26.3	33.9	33.9	33.9	33.9

Source: International Grains Council

affected part of the region, is now forecast to see its wheat crop reduced by 300,000 tonnes, to 7.9m compared with 8.5m in 1996. Poland imported 1.8m tonnes of wheat last year, and the IGC was anticipating before the floods that it would import no more than 500,000 tonnes this year. But with some 140,000 ha of grain fields

swamped in its southern and south-western areas, most analysts believe that Poland's wheat imports will eventually match if not outstrip last year's.

Coarse grains in the flooded areas are less affected by the rain. The IGC's estimates suggest an overall loss of 600,000 tonnes for central and eastern Europe, to 50.1m tonnes, against 49.3m in 1996.

One grain specialist said it now anticipated overall losses of as much as 2m tonnes from the region, but added that this figure was being constantly revised in light of the continuing floods.

Traders already see opportunities. The IGC's latest forecasts are for world wheat production to increase by 6m tonnes this year, to 385m tonnes. The extra capacity may well be absorbed by those countries suffering from the deluge.

"It's anyone's guess right now what the final losses will be," said one large international grain trader. "Of much greater concern is the rapidly deteriorating quality, due to higher levels of fungus and crop disease, and the washing-out of the protein and gluten from the grain."

"Our traders expect that these countries will be coming to the international market for greater wheat imports in particular."

COMMODITIES NEWS DIGEST

Mining groups link in Colombia

The world's two biggest mining companies, Anglo American Corporation of South Africa and Rio Tinto, the Anglo-Australian group, are linking to give coal production in Colombia a substantial boost. Colombia aims to double coal production in the next few years from about 28m tonnes. Almost all its coal - high quality bituminous coal sought after by power stations - is exported, mostly to Europe.

Mr Leon Davis, Rio's deputy chief executive, expects substantial growth in internationally traded coal in Europe, as Germany, Spain and Poland follow France's and the UK's lead in eliminating domestic coal subsidies. Rio is hoping to combine the Oreganal coal properties in northern Colombia it acquired last year with the neighbouring Cerrejon Centrale. The combined properties would be owned one-third each by Rio and Glencore, the Swiss commodity trading and industrial group, with the remaining third in the hands of a new company jointly owned by two members of the Anglo-American "family" - Amco, which operates in South Africa, and Minorco, the group's offshore operating company.

The Anglo companies this week completed the acquisition of a half share in Cerrejon Centrale from Glencore. By combining Oreganal and Cerrejon Centrale, the partners would not only free up about 70m tonnes of coal in the boundary area between the properties, but would also be able to share the cost of developing common facilities. The partners have also bid for the adjoining Cerrejon South property, being privatised by the Colombian government. If developed as planned, Cerrejon Centrale and Oreganal would have an annual joint production of 16m tonnes, with a successful bid for Cerrejon South expected to significantly increase this figure.

Kenneth Gooding, London

COCOA BEANS

ICCO forecasts record grindings

World grindings of cocoa beans for 1996-97 are forecast to reach a new high, though global stocks for the same year are likely to fall below 5% months' grinding, according to the latest figures from the International Cocoa Organisation. The new quarterly figures from the ICCO, covering April to June, estimate that total world stocks at the end of the October to September cocoa year for 1996-97, including the final 26,000 tonnes of ICCO buffer stocks (which will all have been sold by the end of March 1998), will be 1.25m tonnes, down from 1.37m tonnes in 1995-96.

While stocks are falling, the quantity of grinding has risen substantially, from 2.72m tonnes in 1995-96 to a probable 2.80m tonnes in the current year. Grindings in the US rose almost 21 per cent in the first quarter of 1997 compared with the same period in 1996.

The world is also likely to return to an overall cocoa beans deficit this year, the shortfall being estimated by the ICCO at 134,000 tonnes, against a surplus of 155,000 tonnes the previous year. This will be mainly due to lower production, down from 2.91m tonnes in 1995-96 to an estimated 2.69m tonnes this year. The world's leading cocoa beans producer, Ivory Coast, will produce only 1.12m tonnes this year compared with 1.2m tonnes last year.

Gory Mead, London

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

ALUMINIUM 99.7% PURITY (\$ per tonne)

CASH 3 mths

Close 1702.3 1699.700

Previous 1696.5-87.5 1698.80

High/Low 1708.1/1697.7

AM Official 1679.5-90.5 1679.90

Kerb close 1689.700

Open int. 589.534

Total daily turnover 114,723

ALUMINIUM ALLOY (\$ per tonne)

Close 1490-90 1515-25

Previous 1495-90 1520-25

High/Low 1725.1/1490.0

AM Official 1480-85 1508-08

Kerb close 1715-25

Open int. 5.961

Total daily turnover 2,335

LEAD (\$ per tonne)

Close 622.3 635-5.5

Previous 615.5-6.5 630-30

High/Low 636/630

AM Official 619-20 632-3

Kerb close 632-3

Open int. 36,735

Total daily turnover 10,504

NICKEL (\$ per tonne)

Close 7220-30 7410-20

Previous 7305-15 7390-40

High/Low 7450/7370

AM Official 7275-80 7370-25

Kerb close 7410-20

Open int. 50,939

Total daily turnover 17,830

ZINC, special high grade (\$ per tonne)

Close 1515-25 1455-60

Previous 1540-50 1460-55

High/Low 1475/1410

AM Official 1513-17 1430-35

Kerb close 1458-60

Open int. 101,149

Total daily turnover 48,024

COPPER, grade A (\$ per tonne)

Close 2253.5-6.5 2220-21

Previous 2247-32 2215-17

High/Low 2322/2225

AM Official 2229-30 2201-02

Kerb close 2211-9

Open int. 140,227

Total daily turnover 54,589

LME AM Official 5/8 rate: 1.6361

LME Closing 5/8 rate: 1.6375

Spot 1/400 3 mths 1.6352 6 mths 1.6291 9 mths 1.6222

HIGH GRADE COPPER (COMEX)

Sett. Day's price change High Low Vol Int

Aug 108.00 +2.55 108.00 108.00 474 2,947

Sep 108.00 +3.00 108.00 108.00 9,946 21,412

Oct 107.50 +2.50 107.50 107.50 19 1,583

Nov 107.50 +2.50 107.50 107.50 20 1,304

Dec 108.20 +2.55 108.20 108.20 709 3,781

Jan 105.70 +2.80 - - - 22 841

Total 11,011 43,140

PRECIOUS METALS

LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz) \$ price £ equiv SFR equiv

Close 323.30-323.50

Opening 323.30-323.50

Morning fix 326.25 198.829 489.727

Afternoon fix 326.25 198.182 488.506

Day's High 327.00-327.50

Day's Low 324.80-325.20

Previous close 326.40-326.60

Loco Ldn Mean Gold Landing Rates (vs US\$)

1 month 3.81 6 months 3.87

2 months 3.90 12 months 3.98

3 months 3.90

Silver fix p/buy oz US \$ equiv

Spot 267.80 438.25

3 months 271.60 443.25

6 months 273.05 446.45

1 year 274.05 449.35

Gold Coins \$ price £ equiv

Kruggerand 325-327 198-200

Maple Leaf 76-78 46-48

New Sovereign 76-78 46-48

Precious Metals continued

GOLD COMEX (100 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol Int

Aug 323.30 +2.55 323.30 323.30 4,121

Sep 323.30 +2.55 323.30 323.30 14,913

Oct 323.30 +2.55 323.30 323.30 28,913

Nov 323.30 +2.55 323.30 323.30 12,402

Dec 323.30 +2.55 323.30 323.30 4,176

Total 34,444 186,359

PLATINUM NYMEX (50 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol Int

Aug 423.5 +4.1 423.5 423.5 1,236

Sep 423.5 +4.1 423.5 423.5 6,237

Oct 423.5 +4.1 423.5 423.5 4,285

Nov 423.5 +4.1 423.5 423.5 1,779

Dec 423.5 +4.1 423.5 423.5 1,779

Total 17,794 18,899

PALLADIUM NYMEX (100 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol Int

Aug 200.60 +2.60 200.60 200.60 439 4,369

Sep 200.60 +2.60 200.60 200.60 59 1,047

Oct 200.60 +2.60 200.60 200.60 1,139

Nov 200.60 +2.60 200.60 200.60 1,139

Dec 200.60 +2.60 200.60 200.60 1,139

Total 18,101 107

SILVER COMEX (5,000 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol Int

Aug 446.9 +11.9 446.9 446.9 59,411

Sep 446.9 +11.9 446.9 446.9 9,327

Oct 446.9 +11.9 446.9 446.9 9,327

Nov 446.9 +11.9 446.9 446.9 9,327

Dec 446.9 +11.9 446.9 446.9 9,327

Total 16,289 97,187

ENERGY

CRUDE OIL NYMEX (1,000 barrels; \$ per barrel)

Sett. Day's price change High Low Vol Int

Aug 18.92 -0.38 18.92 18.92 91,511

Sep 18.92 -0.38 18.92 18.92 30,978

Oct 18.92 -0.38 18.92 18.92 18,340

Nov 18.92 -0.38 18.92 18.92 11,036

Dec 18.92 -0.38 18.92 18.92 2,008

Jan 20.15 -0.10 20.15 20.15 1,371

Total 180,860 422,915

CRUDE OIL ICE (\$ per barrel)

Sett. Day's price change High Low Vol Int

Aug 18.92 -0.38 18.92 18.92 23,536

Sep 18.92 -0.38 18.92 18.92 8,468

Oct 18.92 -0.38 18.92 18.92 9,312

Nov 18.92 -0.38 18.92 18.92 1,485

Dec 18.92 -0.38 18.92 18.92 1,485

Jan 18.92 -0.38 18.92 18.92 1,485

Total 47,749 47,749

HEATING OIL NYMEX (42,000 US gal; \$ per gal)

Sett. Day's price change High Low Vol Int

Aug 54.90 -0.88 54.90 54.90 14,815

Sep 54.90 -0.88 54.90 54.90 14,815

Oct 54.90 -0.88 54.90 54.90 14,815

Nov 54.90 -0.88 54.90 54.90 14,815

Dec 54.90 -0.88 54.90 54.90 14,815

Jan 54.90 -0.88 54.90 54.90 14,815

Total 56,820 56,820

GAS OIL ICE (\$ per barrel)

Sett. Day's price change High Low Vol Int

Aug 16.25 -1.75 16.25 16.2

• FT Cityline Help Desk Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

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LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

BANKS, RETAIL

Company	Price
Barclays	10.00
Bank of Scotland	10.00
Bank of Ireland	10.00
Bank of London	10.00
Bank of Montreal	10.00
Bank of New York	10.00
Bank of Paris	10.00
Bank of Spain	10.00
Bank of Tokyo	10.00
Bank of West	10.00
Bank of America	10.00

BREWERIES, PUBS & REST

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

BUILDING & CONSTRUCTION

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

BUILDING MATS. & MERCHANTS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

CHEMICALS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

CHEMICALS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

DISTRIBUTORS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

DIVERSIFIED INDUSTRIALS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ELECTRICITY

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ELECTRONIC & ELECTRICAL EQPT

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ENGINEERING

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ENGINEERING - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ENGINEERING - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ENGINEERING - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

ENGINEERING, VEHICLES

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

EXTRACTIVE INDUSTRIES

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

EXTRACTIVE INDUSTRIES - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

FOOD PRODUCERS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

GAS DISTRIBUTION

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

HEALTH CARE

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

HEALTH CARE - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

HOUSEHOLD GOODS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

INSURANCE

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

INVESTMENT TRUSTS

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

INVESTMENT TRUSTS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
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Tate & Lyle	10.00
Vanguard	10.00

INVESTMENT TRUSTS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

INVESTMENT TRUSTS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

INVESTMENT TRUSTS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
Johnnie Walker	10.00
Miller	10.00
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Vanguard	10.00

INVESTMENT TRUSTS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
Guinness	10.00
Heineken	10.00
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Vanguard	10.00

INVESTMENT TRUSTS - Cont.

Company	Price
Adnoca	10.00
Beck's	10.00
Brewery	10.00
Carlsberg	10.00
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Miller	10.00
Stout	10.00
Tate & Lyle	10.00
Vanguard	10.00

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Footsie falls in late dealing on mixed US data

MARKETS REPORT

By Peter John

Guarded calm lay behind yesterday's performance of UK equities as a raft of disappointing corporate results jostled for influence with another record-breaking performance on Wednesday for Wall Street.

The FTSE 100 index slipped in the first hour of dealing as the market took note of uninspiring first quarter numbers from British Telecom.

Those concerns, mainly directed to the proposed merger with MCI of the US, were compounded by reduced interim prof-

its from Glaxo Wellcome and lower first half figures from TI Group.

Glaxo and TI were both affected by the translation of overseas earnings into a strengthening pound. And while the currency effect had been factored into forecasts, there was no positive counterbalance in the statements.

As the day wore on, however, confidence increased that the Dow Jones Industrial Average would maintain its current upward momentum.

The signals were encouraging. Before equity trading began in New York, the US bond was continuing to rise, pushing the

yield down to 6.25 per cent at one stage.

Data for gross domestic product growth in the second quarter showed an above-forecast 2.2 per cent annualised gain. But the price deflator posted its smallest rise since 1964. That combination provided further evidence that the "goldilocks" economy of robust growth with low inflation is well in place.

On the other hand, this was offset by statistics showing weekly jobless claims at their lowest level for 23 years. The data did not sugar well for the more significant non-farm payroll numbers expected today. These are forecast to show an increase

in employment of about 200,000 and any higher figure will fuel inflationary fears.

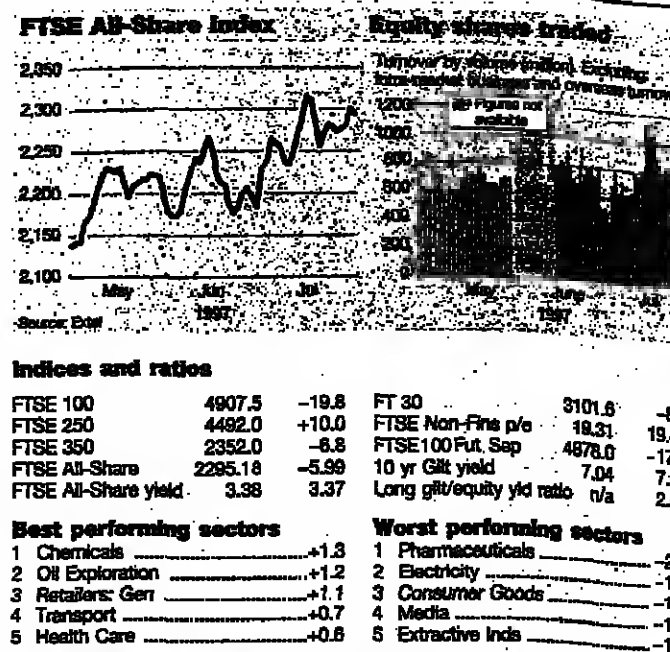
Also, there were inflationary elements in the latest Chicago purchasing managers index. US investors appeared unable to make up their minds. As the Dow swung from an early rise to a subsequent fall, Footsie lost its earlier gains.

The blue-chip index ended the day 19.8 lower at 4,907.5. The FTSE 250 and SmallCap indices, less affected by international factors, climbed 10.0 to 4,492.0 and 2.4 to 2,188.4 respectively. Overall volume by 6pm was 900m shares, the highest level for seven trading days.

However, almost 10 per cent of the turnover reflected heavy trading in two small stocks: Fortune Oil and shares and Owen & Robinson.

The direction of the London market over the next few days depends, to a large extent, on the market's view of future interest rates ahead of the Monetary Policy Committee meeting next week.

Mr David Hillier, UK strategist with BZW, argues "Higher rates are the last thing manufacturing needs, but rates must go higher if the inflation target is to be met. We expect the MPC to bite the bullet and raise rates a further 75 basis points."



Sterling hits TI shares

The holiday for overseas earners and exporters appeared to be drawing to a premature close yesterday as profit downgrades in TI Group combined with renewed strength in sterling.

TI, the wide-ranging engineering group, is less badly affected than some of the UK's big exporters as it generates 90 per cent of sales overseas. Nevertheless, when sales are translated back into sterling they are affected by the steady rise of the pound, particularly against the D-Mark.

The effect was reflected in interim results which showed that profits had been reduced by £7.6m because of currency translation.

As a result, analysts slashed full-year profit expectations by around £7m to the £225m mark, reflecting expectations of a further hit in the second half of the year.

One analyst said: "These figures show we have not yet taken enough account of the currency impact on the engineering sector."

Profit-taking also played a part in the day's sharp decline. The shares had risen strongly in recent sessions as the market celebrated sterling's recent reversal. Yesterday, the pound crept back above DM3.00 and edged higher against the dol-

lar, prompting fears of further share price weakness.

By the close, the shares had surrendered 24½ to 544½p, the worst performance in the FTSE 100. Volume was 4.3m.

Reports that UK banking group Halifax is to be included in the Morgan Stanley global index triggered a squeeze in the company shares. They rose 28½ to 738½p, topping the list of the Footsie best performers yesterday.

One dealer suggested inclusion in the index was likely to prompt heavy demand for the stock by US investors.

Halifax shares have fallen heavily over the last two weeks and dealers attributed part of yesterday's advance to a feeling that the decline had been overdone.

A takeover and a strong buy note combined to power the oil sector to one of the highest rises in the market.

The buy note, from NatWest Securities, highlighted prospects off west Africa and said Shell had the best exploration portfolio. Shell was ahead 2½ to 45½p, while BP, which NatWest listed among international oil companies that had the opportunity to boost their reserves base off west Africa, rose 1½ to 386p.

The bid came from Dana Petroleum which finally made a long-flagged offer for Seafield Resources.

Traders suggested there was little commercial logic behind the combination of Dana with the predominantly UK Seafield, although further consolidation in the

sector was likely. Dana eased to 22½p and Seafield rose 4 to 71½p.

Elsewhere, Lasmo came second in the list of FTSE 100 risers with an advance of 10½ to 278p after its interim results and hopes of positive news flow for the second half sparked talk of a re-rating of the stock.

The stock has been trading at a 13 per cent premium to net asset value, whereas most others in the sector trade at nearer 40 per cent. Some analysts were suggesting that this differential could be eroded.

Mr Jon Wright, at Merrill Lynch, said: "Although the results contained little in the way of surprises, they did demonstrate the strength of the first half that Lasmo."

He added that the company was about to enter a growth phase, following restructuring. He is a buyer of the

stock, and retains his profit forecast for this year of £45m before preference dividends, to produce earnings per share of 3.4p.

Nervous trading and general profit-taking brought a decline in Lloyds TSB, ahead of today's interim figures. The shares fell 10½ to 675½p. BZW, a current buyer of the stock, is predicting interim profits of £1.52bn and a dividend payment of 5.3p.

National Westminster, recently the subject of bid speculation, eased 21 to 868½p, following a large late-session sell order.

Vague talk of a share buy-back at Barclays helped the stock resist the market retreat. The shares closed a penny lighter at £12.85.

Ahney National, which opened the reporting season in the banking sector earlier this week, fell 19½ to 837½p. Glaxo Wellcome fell 38 to

£129¼ after it said margins were likely to come under pressure in the second half.

The £15bn profit was in line with forecasts but the likely drop in margins led to the stock mark-down.

Analysts said the company had already announced margins were likely to fall between one and two percentage points, but yesterday told them the fall would be closer to three points, as drugs were launched.

The company also said it was affected by the impact of the strong pound, which turned a 6 per cent advance in trading profits into a 3 per cent decline.

The negative sentiment spread to others in the sector, with SmithKline Beecham down 28 to £11.95p.

ICI advanced 31 to £10.07p, helped by US buying. The company has been holding US roadways to explain the shift from bulk chemicals to higher-margin specialty products.

Merrill Lynch suggests the price could reach £10.50 and has told clients: "The transformation of ICI is occurring faster than the market expected and we believe there should be more good news to come."

Industrial materials group Cookson rose 11½ to 232p after two brokers published positive notes on the company.

Merrill Lynch told clients "a process of reappraisal" could see the stock rise between 10 and 15 per cent.

Flemings said the current 30 per cent discount to the market was unjustified and the stock could reach 380p. Logica was ahead 60 at 750p as, along with an acquisition and rights issue, the software company estimated that profits advanced 14 per cent in the year to June, and said it intended to recommend a 21 per cent dividend rise.

Positive broker comment boosted high street electrical goods retailer Dixons. The shares improved 12 to 607½p.

SocGen reiterated its positive stance and raised its six-month target for the share price to 700p from 600p previously. SG Warburg and Morgan Stanley were also said to be positive.

Elsewhere, demand was seen in Next, which appreciated 23 to 759½p, and Kingfisher, which advanced 17½ to 720p.

Plantation & General Investments, the tropical agriculture and farming tools company, rose a penny to 82½p after a forced offer by Mr Nick Roditi, the fund manager who acts for Mr George Soros.

FUTURES AND OPTIONS

FTSE 100 INDEX FUTURES (LIVER) £25 per full index point									
Open	Sett	Change	High	Low	Est. vol	Open	Sett	Change	High
Sep	4845.0	4917.0	-26.0	4930.0	4915.0	8802	4898.0	4900.0	4900.0
Dec	5010.0	4980.0	-26.0	5010.0	5008.0	226	4998.0	4980.0	4980.0
Mar		5025.0		5025.0		0			

FTSE 250 INDEX FUTURES (LIVER) £10 per full index point									
Open	Sett	Change	High	Low	Est. vol	Open	Sett	Change	High
Sep	4532.0	4532.0	4532.0	4532.0	0	4532.0	4532.0	4532.0	4532.0

FTSE 100 INDEX OPTION (LIVER) £10 per full index point									
Aug	1997	1997	1997	1997	1997	1997	1997	1997	1997
Call	125	125	125	125	125	125	125	125	125
Put	125	125	125	125	125	125	125	125	125

EURO STYLE FTSE 100 INDEX OPTION (LIVER) £10 per full index point									
Aug	1997	1997	1997	1997	1997	1997	1997	1997	1997
Call	125	125	125	125	125	125	125	125	125
Put	125	125	125	125	125	125	125	125	125

LONDON RECENT ISSUES: EQUITIES

Issue	Amount	Price	Yield	Div	Div. Yld	P/E	Div. Yld	P/E
BP	£1.2	225	225	100	100	1.8	2.7	22.8
BP	£1.2	225	225	100	100	1.8	2.7	22.8
BP	£1.2	225	225	100	100	1.8	2.7	22.8

FTSE GOLD MINES INDEX

Index	Value	Change	High	Low	Est. vol
Aug	125	125	125	125	125
Sep	125	125	125	125	125
Oct	125	125	125	125	125

FTSE Actuaries Share Indices

Index	Value	Change	High	Low	Est. vol
Aug	125	125	125	125	125
Sep	125	125	125	125	125
Oct	125	125	125	125	125

FTSE Actuaries Industry Sectors

Index	Value	Change	High	Low	Est. vol
Aug	125	125	125	125	125
Sep	125	125	125	125	125
Oct	125	125	125	125	125

Hourly movements

Index	Value	Change	High	Low	Est. vol
Aug	125	125	125	125	125
Sep	125	125	125	125	125
Oct	125	125	125	125	125

TRADING VOLUME

Index	Value	Change	High	Low	Est. vol
Aug	125	125	125	125	125
Sep	125	125	125	125	125
Oct	125	125	125	125	125

Notice to Bondholders

Pacific Electric Wire & Cable Co., Ltd.
(the "Company")

U.S. \$65,000,000

3½ per cent. Bonds Due 2001
(the "Bonds")

Notice of the Redemption at the Option of the Company

NOTICE IS HEREBY GIVEN PURSUANT to Condition 7(B) and 7(H) of the Terms and Conditions of the Bonds that the Company has provided to the Trustee a legal opinion confirming items (i) to (iii) of Condition 7(B) and has determined to redeem on 31st October, 1997 (the "Redemption Date") all outstanding Bonds at the price of 102½% of the principal amount of the Bonds together with the interest accrued to the Redemption Date, if any.

Set out below is the relevant information.

Applicable 20 consecutive Trading Days of the Shares

From and including 1st June to and including 3rd July, 1997

NTS25.31 per Share.

Current Conversion Price:

The Closing Price for the FEWC Shares on the Taiwan Stock Exchange on 31st July, 1997:

NTS38.1 per Share.

Aggregate principal amount of the Bonds outstanding as at 31st July, 1997:

U.S. \$33,050,000.

Special Consolidation on Date:

8th November, 1997.

We would like to call to your attention that, pursuant to Condition 7(A)(ii), the Bonds can not be converted after the close of business on 21st October, 1997.

1st August, 1997 Pacific Electric Wire & Cable Co., Ltd.

The United Mexican States Floating Rate

Privatization Notes Due 2001

The applicable rate of interest for the period August 1, 1997 through and including November 2, 1997, to be paid on November 5, 1997, a period of 94 days, is 5.3125%. This rate is 131¼% above the offered rate for three-month deposits in U.S. Dollars which appeared on the display designated as the British Bankers' Association's Interest Settlement Rate (BBSIS) as quoted on the Dow Jones-Telerep Wire Screen No. 3750 as at 11:00 A.M. (London Time) on July 30, 1997.

The above rate applies to an interest payment of USD 17,052,362 per USD 1,000,000 in principal amount of Notes.

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July 30, 1997

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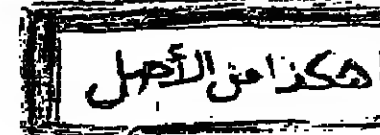
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WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jul 31 / Sch)

Stock	Price	Change
Alpine	12.50	+0.10
Bank Austria	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

BELGIUM (Jul 31 / Franc)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Belgium	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

CZECH REP (Jul 31 / Koruna)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Czech Republic	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

DENMARK (Jul 31 / Kr)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Denmark	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

FINLAND (Jul 31 / Mark)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Finland	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

FRANCE (Jul 31 / Franc)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of France	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

GERMANY (Jul 31 / Mark)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Germany	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

GREECE (Jul 31 / Dr)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Greece	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

HUNGARY (Jul 31 / Forint)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Hungary	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

IRELAND (Jul 31 / Punt)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Ireland	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

ITALY (Jul 31 / Lira)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Italy	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

NETHERLANDS (Jul 31 / Guilder)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Netherlands	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

POLAND (Jul 31 / Zloty)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Poland	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

PORTUGAL (Jul 31 / Escudo)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Portugal	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

SPAIN (Jul 31 / Ptas)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Spain	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

SWEDEN (Jul 31 / Krona)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Sweden	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

SWITZERLAND (Jul 31 / Franc)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Switzerland	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

UNITED KINGDOM (Jul 31 / Pound)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of England	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

UNITED STATES (Jul 31 / Dollar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of America	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

WEST GERMANY (Jul 31 / Mark)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of West Germany	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

YUGOSLAVIA (Jul 31 / Dinar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Yugoslavia	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

AFRICA

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Africa	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

ASIA

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Asia	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

AUSTRALIA (Jul 31 / Dollar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Australia	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

CANADA (Jul 31 / Dollar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Canada	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

NEW ZEALAND (Jul 31 / Dollar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of New Zealand	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

SOUTH AFRICA (Jul 31 / Rand)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of South Africa	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

TOKYO (Jul 31 / Yen)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Tokyo	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

HONG KONG (Jul 31 / Hong Kong Dollar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Hong Kong	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

SINGAPORE (Jul 31 / Singapore Dollar)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Singapore	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

MALAYSIA (Jul 31 / Ringgit)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Malaysia	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

INDONESIA (Jul 31 / Rupiah)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Indonesia	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

PHILIPPINES (Jul 31 / Philippine Peso)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Philippines	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.50	+0.10
Utilities	12.50	+0.10

THAILAND (Jul 31 / Baht)

Stock	Price	Change
Alcatel	12.50	+0.10
Bank of Thailand	10.50	+0.10
Energy	15.50	+0.10
Industries	18.50	+0.10
Insurance	12.50	+0.10
Media	10.50	+0.10
Telecom	15.5	

NEW YORK STOCK EXCHANGE PRICES

4 pm close July 3

[illegible]

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FINANCIAL TIMES

هكذا قال الأحمق

Dow treads water after mixed data

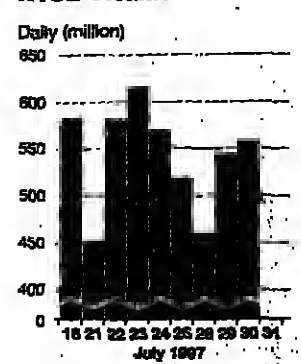
Paris touches 3,100 mark in hectic trading

AMERICAS

Wall Street turned slightly nervous after two days of strong gains as mixed economic reports briefly jarred the bond market before prices stabilised by midday, writes John Labate in New York.

Despite a rise in technology stocks, the Dow Jones Industrial Average was 6.03 lower at 8,248.86 by 1pm. The broader Standard & Poor's composite index gained 1.12 at 853.41. The Nasdaq com-

NYSE volume



Source: FT

posite index, which is weighted with tech stocks, also managed a gain, adding 3.21 at 1,591.26.

The bond and stock markets were sharply higher in early morning trading following the release of favourable gross domestic product estimates for the second quarter.

Although GDP rose 2.2 per cent for the quarter, slightly higher than analysts had expected, the report also contained a sharp downward revision for the first quarter, which had been estimated at 5.5 per cent and now stands at 4.9 per cent. The inflation estimates contained within the report were also favourable to investors.

Markets were jarred soon after by a separate report that estimated that prices

paid by purchasing managers for July had reached their highest level in two years. This sparked inflation fears and sent bond and stock markets sharply lower. The markets eventually stabilised around mid-day.

Among Dow components, Procter & Gamble reported second quarter earnings slightly ahead of expectations, but its share price fell 1/2% at \$152.24.

Hewlett-Packard shares gained 1 1/2% at \$69.94 and General Motors climbed 3/4% or nearly 4 per cent at \$62 1/2. Despite the uneven trading in blue chips, major technology stocks traded mostly higher, as Microsoft gained 3/4% at \$141 1/4 and semiconductor producer Intel gained \$1 at \$50 1/2.

The Pacific Stock Exchange index, which tracks the progress of technology stocks, was also higher by 1.47 at 325.22.

TORONTO extended its record run through a morning of busy two-way trade. Golds and media stocks were dull, but retail shares made good progress and there was plenty of action among speculative oils.

At the noon calculation, the 300 composite index was running 16.03 ahead at 18.03 - having hit record closing highs in each of the three previous sessions.

Newbridge Networks gained 85 cents to C\$71.95 and Northern Telecom gained 30 cents to C\$143.80. Among banks, Royal Bank of Canada and Bank of Montreal both added 10 cents to C\$66 and C\$57.80 respectively.

Seagram came in for media selling, losing 75 cents to C\$52.80. Bright spots among second liners took in JDS Fitel, up C\$11.50 to C\$57 on upbeat earnings. Geac Computer advanced C\$2.50 to C\$61.50 on news of a planned two-for-one stock split.

Mexico City firm

MEXICO CITY surged through the 5,000 barrier on the IPC index in early trading.

The market was firm from the opening bell, building on the gains of the past two sessions and by mid-morning had successfully punched through to a new landmark.

Dealers said the drive was coming from both local and foreign investors. "It's dollar and US interest rate led. There's no stopping it today," said one broker.

At mid-session, the IPC

index had put on 115.63 or 2.3 per cent to 5,089.86.

CARACAS gained ground with the IBC adding 71.84 to 9,481.71 at mid-session.

But SAO PAULO continued to suffer profit-taking after the recent privatization-inspired rally. The Bovespa index was off 239 or 1.8 per cent at 12,779 at mid-session.

SANTIAGO traded quietly in low volume. The IPSA index was little changed at the end of the morning session, improving 0.31 to 134.36.

South Africa stronger

Johannesburg industrial shares finished stronger, the industrial index gaining 28.1 to 9,150.5, propelled higher by positive sentiment from Wall Street and other world markets' recent run.

Reserve Bank Governor Chris Stals' comments this week that interest rates could be cut before end-1997 continued to fuel local and offshore buying interest on industrials.

However, golds were shrouded in gloom after trading on shaky ground for most of the day amid a listless bullion price, which struggled to break through the \$339-\$330 an ounce resistance level. The index shed 1.2 to 881.4, while the All-shares index climbed 10.8 to 7,484.5.

Overall volumes were high, with 80.3m shares worth about R985m traded.

EUROPE

Shares in PARIS breached the 3,100 mark in late trading but came off the day's high to close at a record 3,078.67 on the CAC 40 index, up 6.37.

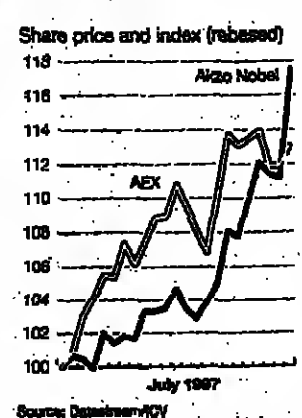
With Wall Street showing no decisive early trend, most influences were domestic, notably the expiry of the July futures and options contracts. The latter made for a hectic session and volume was an exceptionally high FF17bn.

Dealers said the breach of 3,100 was due solely to technical factors connected with the futures and options expiry. Once this supporting factor was removed, the market quickly slipped back, although the outlook remains positive and the index could break above 3,100 again soon.

Attention was focused on Renault, after Volvo announced it had sold its 11.38 per cent in the car-maker for Skr5.8bn (\$743.3m) via a placing by USS FF171 a share. Renault dropped 30 centimes at FF172.4, short of its year-high last week of FF187 but still sharply ahead of its FF154 level at the beginning of July.

AMSTERDAM ended higher but just off intra-day peaks, bolstered by higher than expected results from chemicals group Akzo Nobel

Akzo Nobel



Source: Datastream/FT

and the central bank's decision to leave key interest rates unchanged.

The AEX index of leading shares closed up 8.02 at 983.33 after reaching a high of 988.26.

Akzo posted a 25 per cent surge in net profits to F149m, beating the highest analyst estimate of F147m and sending shares sharply higher to close up F118.30 at F130.80.

Papermaker KNP BT also announced a jump in second quarter net profit, from F15m to F18m, but the figure was at the top end of estimates and the shares ended down F1.10 at F147.60.

The Dutch central bank left its special average rate unchanged at 3 per cent,

after speculation of a rise to bolster the guildler, which had fallen to four-year lows against the mark.

FRANKFURT faltered, with the Dax dipping in electronic trading as the profit-takers swung into action at Daimler Benz.

A slightly easier dollar was a further negative factor and at the close the Dax was off 53.14 at an Ibis-indicated 4,405.62. Trading was relatively narrow and volume on the dull side, dealers said.

Daimler provided the main news of the day, shipping DM7.15 to DM132.85 after first-half operating profits were seen to have fallen marginally short of the middle range of brokers' estimates. Dealers described the subsequent switching as heavy.

Both BMW and Volkswagen looked to be beneficiaries of the shake-out for Daimler with BMW adding DM24.00 to DM145.00 and VW gaining DM11.50 to DM136 to consolidate its position at the head of the 1997 performance charts. According to Merck Finck & Co, VW has risen 120 per cent since January.

The weaker dollar weighed heavily on chemicals where BASF came off DM1.40 to DM70.50 and Bayer shed DM2.80 to DM76.15. Schering, which upgraded forecasts for sales of its Betafarol drug

FTSE Actuaries Share Index

July 31	Share price and index (rebased)	Day's %	Change points	Yield %	Div. mtd	Total mtd
FTSE 100	2,918.84	+0.16	+1.71	2.28	0.02	958.80
FTSE 100	2,918.84	+0.16	+1.71	2.28	0.02	958.80
FTSE 100	2,918.84	+0.16	+1.71	2.28	0.02	958.80
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FTSE 100	2,918.84	+0.16	+1.71	2.28	0.02	958.80

Source: FTSE Actuaries

from DM590m to more than 600m for 1997, dipped DM 3.10 to DM200.

Banks, which account for four of the top six places in the Dax rankings for July, were mixed with Commerzbank, which posted a meeting with analysts, adding 24p to DM62.30.

Draxner also met with analysts but eased 80p to DM4.00 while Deutsche Bank, seen by J.P. Morgan as the pick of the sector, dipped DM2.90 to DM121.85.

Bankgesellschaft Berlin jumped DM5.30 or 12 per cent to DM47.55 ahead of today's interim results statement. The bank has long been seen as a takeover target.

ZURICH traded quietly

ahead of today's national holiday. Banks were dull in spite of a number of key scenarios from brokers looking ahead to next Tuesday's start to the results season from the sector. UBS dipped SF18.00 to SF18.84 and SBC lost SF1.50 to SF4.08. Credit Suisse softened SF1.25 to SF2.04.

Novartis was the most active stock, reversing Wednesday's strong gains with a decline of SF1.00 to SF2.427. Roche retreated SF1.25 to SF14.626 and Ciba came off SF3.50 to SF139.50. At the close, the SMI index was off 3.13 at 5,998.2.

Meanwhile, Volvo rose Skr1.5 to Skr213.5, hugging the trend in STOCKHOLM

where profit-takers pushed the general index down 1.1 per cent or 54.96 to 3,156.91. Ericsson lost Skr 7.5 to Skr359.5, with Nokia falling Skr3 to Skr683.

Pharmacia & Upjohn slipped Skr5 to close at Skr298.5, after analysts cut forecasts by up to 10 per cent following weaker than expected second quarter figures on Tuesday. PaineWebber cut earnings per share estimates for the year from \$1.60 to \$1.50, while Merrill Lynch dropped earnings per share to \$1.45.

OSLO closed at a record high as blue chips rose on continued gains on Wall Street and a strong dollar. The All-Share index closed 10.16 higher at 1,288.87. Den norske Bank gained Nkr40 at Nkr32.10 and Christiania Bank was Nkr40 higher at Nkr24.50. Fokus Bank rose Nkr2 to Nkr63.

BRUSSELS moved lower for the second day running. Diversified chemicals group UCB, which has a 12.5 per cent weighting in the leading index, fell more than 4 per cent, closing off Bfr4.760 at Bfr134.500. Solvay ended Bfr150 harder at Bfr23.800 ahead on interim figures released last yesterday. The B20 index ended 17.06 lower at 2,579.30.

Written and edited by Jeffrey Brown and Chris Gascoigne

Hong Kong extends run to reach record high

ASIA PACIFIC

Shares in HONG KONG pushed up to another record high to extend this week's gains on the Hang Seng index to more than 700 points.

Dealers said there had been widespread institutional and retail buying of blue chips following another strong showing overnight for the US long bond. HSBC and property shares provided the main features.

The Hang Seng index ended at its best of the session with a rise of 382.53 or 2.4 per cent to 16,365.71. The August future closed at a 70 points premium to the cash market where turnover was heavy at HK\$22bn.

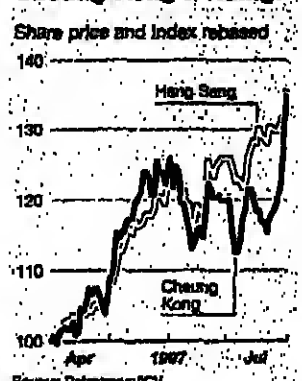
HSBC rose HK\$7.00 to HK\$270 ahead of today's results statement. Property leader Cheung Kong advanced HK\$5.25 to HK\$86.00 and Swire Pacific HK\$4.00 to HK\$73.50. China Southern Airlines made a steady debut, closing at HK\$4.875 against a flotation price of HK\$4.70.

TOKYO rallied as bargain hunting among leading electronics shares outweighed concerns about financial scandals and the previous day's collapse of a medium-sized construction group, writes Owen Robinson.

The Nikkei 225 average rose 118.61 to 20,331.43, just below the day's high of 20,332.53 after reaching an intra-day low of 20,041.20, although declines led advances by 890 to 436.

Trading opened on a firm note as investors, encouraged by New York's overnight record and the rise of Nikkei index futures in Chicago, sought leading shares. But securities houses stayed under pressure and construction shares lost ground following the collapse of Tada, a general contractor listed on the main section of the exchange.

Cheung Kong Holdings



Source: Datastream/FT

Selling accelerated for securities houses following further investigations by Tokyo prosecutors of Yamachi Securities in connection with the racketeer pay-off scandal emanating from Nomura Securities and Dai-ichi Kangyo Bank.

Volume grew from 364m shares to an estimated 448m. The Topix index of all first-section stocks gained 7.12 to 1,544.04 and the capital-weighted Nikkei 300 was up 1.89 at 301.93.

General contractors were among the day's biggest losers and dampened interest in other debt-laden sectors. Taisei fell Y24 to Y477, Shimizu Y21 to Y610 and Sato Kogyo Y18 to Y150. Aoki, which has recently denied reports it is in financial crisis, fell Y8 to Y78.

Securities houses generally retreated, although Nomura rose Y100 to Y1,690 following "buy" recommendations by some foreign brokers. Yamachi fell Y30 to Y260, Nikko Securities Y19 to Y651 and Daiwa Securities Y12 to Y813.

Blue-chip exporters attracted the heaviest foreign buying. Sony, which announced record first-quarter profits after the close of trading, rose Y200 to Y11,800 on expectations of a strong earnings announce-

ment. Hitachi gained Y20 to Y1,340. Toshiba Y16 to Y787 and NEC Y30 to Y1,720. Matsushita Electrical Industrial rose Y60 to the year's high of Y2,470. Fujitsu gained Y20 to Y1,740 on reports of its takeover bid for Amdahl of the US.

In Osaka, the OSE average rose 32.18 to 21,109.85 in volume of 20.3m shares. In London, the ISE/Nikkei 50 index advanced 5.02 to 1,725.48.

TAIPEI advanced to a seven-year peak on strong demand for electronics and financials. The weighted index finished 128.56 or 1.2 per cent higher at 10,066.35. Turnover was heavy at T\$192.2bn. Taiwan Semiconductor added T\$5 to T\$155

and United Microelectronics T\$3.5 to T\$126. Acer gained T\$4.5 to T\$104.5.

BANGKOK fell for the second day running with the SET index slipping 2.1 per cent or 13.51 to 555.62. Thai Farmers Bank ended Bt1.00 lower at Bt116.

WELLINGTON closed lower on profit-taking after Wednesday's sharp rise with the 40 capital index down 3.54 at 2,571.98.

Lion Nathan ended at its highest level since March 1994, up 3 cents at NZ\$4, on takeover rumours. It was the second most heavily traded stock by volume and the third most traded stock by value, with 2.4m of its shares sold at a value of NZ\$29.5m.

The shares were also helped by rumours - subsequently denied by Lion Nathan - that it planned to launch a local version of the Belgian lager, Stella Artois. NZ Telecom lost 3 cents at NZ\$7.85.

Blue-chip stocks in KUALA LUMPUR closed lower on continuing fears of currency volatility, rising interbank rates and slower growth at Telekom Malaysia. The composite index gave up 11.90 at 1,013.84.

Telekom, whose interim results are due today, closed 25 cents down to M\$9.70, after dipping to a 1997 low of M\$9.65. Analysts are predicting slower earnings growth in the first half of 1997.

Automotive stocks were hit by the general negative sentiment in the market, despite the release of strong first half vehicle sales data earlier in the day. Proton dropped 2 cents at M\$11.50. Diversified Resources lost 4 cents at M\$4.82 and Tan Chong fell 20 cents at M\$4.18.

A flurry of foreign institutional demand bucking weak first-quarter company results drove BOMBAY higher, with the 30-share BSE index rising 60.37 to 4,305.76.

Tobacco group ITC led the rally, closing up Rs42.75 at Rs515, on media reports that its first-quarter net profit was up 34 per cent. ITC was not available for comment.

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the indices.

NATIONAL AND REGIONAL MARKETS										WEDNESDAY JULY 30 1997										THURSDAY JULY 31 1997										--- DOLLAR INDEX ---																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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